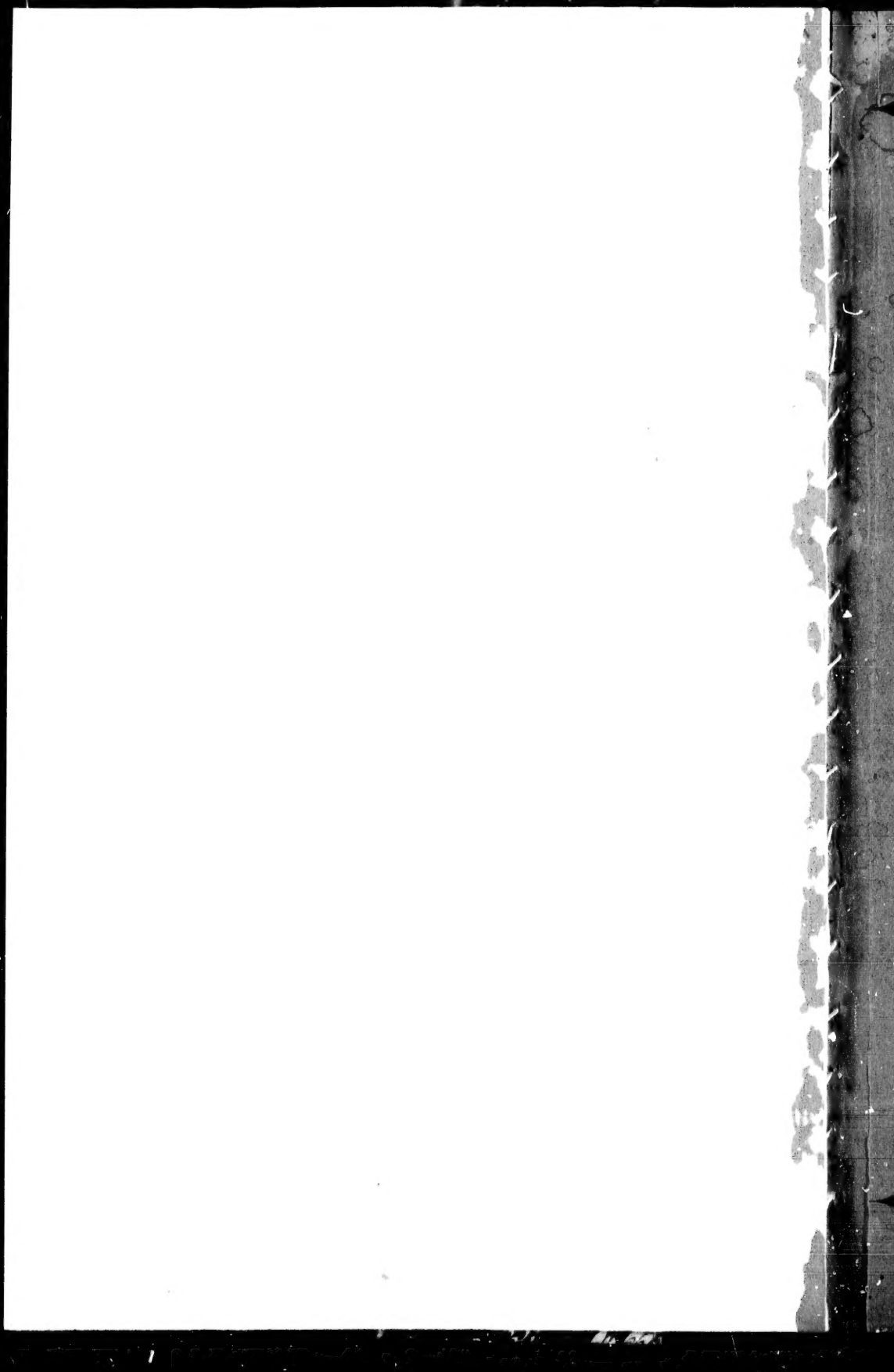




H. D. L. Macpherson
Canadian National
SPEECHES

ON THE

Public Expenditure of the Dominion,

BY THE

HON. D. L. MACPHERSON,

SENATOR OF CANADA.

DELIVERED IN THE SENATE, OTTAWA, DURING THE
SESSION OF 1877.

With Introductory Reflections, addressed to his former
Constituents, the Electors of North Simcoe,
Grey and Bruce.

"The situation of this country is alarming enough to rouse the
"attention of every man who pretends to a concern for the
"country's welfare."—Junius.

TORONTO:

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RECEIVED

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TO THE ELECTORS
OF THE
Counties of North Simcoe, Grey and Bruce,

CONSTITUTING FORMERLY

ERRATA.

On page 51, the Miscellaneous Items of Customs Expenditure are not given in the table, but are all included in the totals.

On page 55, "Total Increase of Debt in 1874, 1875, and 1876," for \$31,471,255 read \$31,461,255.

On account of my resignation in consequence of being then your representative in the Legislative Council of United Canada. I have, therefore, always felt that it was to you—to the trust you reposed in me—that I am indebted for a seat in the highest Legislative Body of the Dominion. I continue to entertain a warm regard for your welfare, and to be ever ready to do all in my power to promote your interests.

Under these circumstances it seems to me fitting that I should address to you, and through you to the people of the Dominion, some reflections introductory to those speeches.

I may premise that I have eschewed partizanship in Parliament. I have discharged what I considered the duty of a Member of the Upper House—namely, to support or oppose measures as I believed them to be for the advantage or otherwise of the country, regardless of the Government under whose auspices they were submitted to Parliament. I laid down this rule for my guidance when I first entered Parliament as your representative, and I am not conscious of having departed from it in any instance.

I welcomed the change of Government in 1873. I entertained great respect for Mr. Mackenzie. I looked upon him as a man of marvellous merit, whose rise was creditable, not only to himself, but also to the institutions of our country. I placed full faith in his truthfulness. I believed in the sincerity of all he had said against political corruption during the many years he

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TO THE ELECTORS
OF THE
Counties of North Simcoe, Grey and Bruce,
CONSTITUTING FORMERLY
THE ELECTORAL DIVISION OF SAUGEEN.

GENTLEMEN,

At the request of members of both Houses of Parliament, I am induced to publish, in pamphlet form, the speeches delivered by me in the Senate during last Session upon the state of the Dominion, and especially upon the increase of that portion of the public expenditure which is largely within the control of the Administration.

I was appointed to the Senate at Confederation in consequence of being then your representative in the Legislative Council of United Canada. I have, therefore, always felt that it was to you—to the trust you reposed in me—that I am indebted for a seat in the highest Legislative Body of the Dominion. I continue to entertain a warm regard for your welfare, and to be ever ready to do all in my power to promote your interests.

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was in Opposition. I believed economy to be, with him, an instinct. I felt persuaded that any Government, of which Mr. Mackenzie was the head, would be distinguished for political purity and financial economy; and it was with satisfaction I saw him succeed to power at a time when the country was about to enter upon the construction of great public works, involving enormous expenditure; confident that, with his practical knowledge, in addition to the other and higher qualities he possessed, he would take no step without due deliberation, and, especially, would not commit the country to engagements inconsistent with its perfect financial safety, or which would require the imposition of new taxes upon the people.

With respect to Mr. Blake, for a long time I looked upon him as one from whom Canada had much to hope. He had inherited a name and station; he was endowed with talents of a very high order; he had had the opportunity of cultivating those talents, aided by the highest educational advantages, and his studies were guided as were those of few men in this country. He stepped, it may be said, at one stride, from the law-student's desk to a high place in the first rank of his profession, and then rapidly rose to distinction and fortune. He entered public life while still a young man, and displayed rare aptitude for its work. He professed the loftiest and purest patriotism. His denunciations of political corruption, especially of anything savouring of Coalition, (which he stigmatized as corruption in its most obnoxious form,) are among the most eloquent utterances ever delivered in Canada. Self-seeking and meanness he denounced with withering scorn. Who could doubt that Canada had much to hope from so highly gifted a son? Mr. Blake entered public life when many of the active public men of the day—who have since passed away—were descending in the vale of years. I confess that I placed implicit trust in all Mr. Blake's early professions—I believe, even now, they were made, at the time, in all sincerity. I cannot imagine, circumstanced as he was, that he could have any motive for entering the Government, other than a pure desire to serve his country.

It is true there were incidents connected with the overthrow of the Government of the late honest Sandfield Macdonald, that surprised and startled the observing and thinking among the friends and admirers of Mr. Blake. His share in that episode was, however, forgotten, and he retained the high place he had won with the general public.

When Mr. Mackenzie and Mr. Blake became the leaders in the Government of the Dominion—although some of the means by which they attained power were of a character that can never receive the approval of honourable men, but will be regarded as more and more unfortunate as time carries us away further from the events—still, I say, when Mr. Mackenzie and Mr. Blake became the leaders of the new Government in 1873, the feeling in the country was almost universal that their administration would be conducted upon the principles of political purity, departmental retrenchment, and financial prudence, which they had for so many years persistently and eloquently professed.

I shared in this opinion, and they had my independent support, until I became satisfied that they were violating the pledges of purity, reform and economy which, when in opposition, they had given to the people.

Canada is difficult to govern. The variety of races and creeds, the newly formed union of Provinces formerly separate and independent, the want of homogeneity, unavoidable in a new country, where many of the inhabitants are immigrants of comparatively recent arrival, are among the most apparent sources of difficulty in the administration of affairs, and much allowance should be made for the Government.

I made great allowance for the Government of Mr. Mackenzie. I could not but regret the early retirement from the Cabinet of some of its ablest members, to occupy high and permanent offices. I know it is difficult, under our institutions, to avoid such incidents, but it is disappointing to see men who have devoted many years to entreating the people to give them an opportunity to govern better, if not to save, the country, soon after such opportunity is afforded them, retiring to permanent office; useful and high office, no doubt, but for which other men might have been found equal, while ripe statesmen are always scarce. When Mr. Dorion retired it was of course impossible to replace him in the Cabinet with a statesman of equal experience, from the Province of Quebec.

Mr. Blake, after a brief period of retirement, rejoined the Government, assuming the portfolio of Minister of Justice; and eventually Mr. Cauchon became the colleague of Messrs. Mackenzie and Blake. From that time the Government has been properly known as the Mackenzie-Cauchon Coalition.

I believe the formation of this Coalition was the most severe blow ever inflicted upon the moral sense of the people of this Dominion, and especially of Ontario; for not only was Mr. Cauchon known to them as one whose introduction into the Government rendered it unquestionably what they had been taught by Messrs. Mackenzie and Blake to abhor—a Coalition—but Mr. Cauchon, politically and personally, had been held up to public execration by the organs of the present Government. I shall not enquire whether this was deserved, but I may say without fear of successful contradiction—even if he is as black as he was painted by his present friends—that, compared with others of Messrs. Mackenzie and Blake's colleagues, Mr. Cauchon is in intellect a giant and in virtue immaculate.

If Mr. Blake's professions were sincere in the past, his intimate association with some of those who are his present colleagues, must be to him a very abyss of political degradation. And why has he allowed himself to be thus dragged down? Mr. Blake's *prestige* in the country four years ago was so great, and his services in the Government so indispensable to his party—as they are still—that Mr. Mackenzie and he could have demanded the support of their followers in the fulfilment of their life-long pledges. He should have said, in effect, to the self-seeking and unscrupulous, in words of burning eloquence such as I cannot command:—"Mr. Mackenzie and myself are true men. We intend, in governing this country, to redeem the pledges we gave to the

"people, and of which you were the witnesses. Unless you will support us in doing this we shall resign the reins of Government to other hands, but we shall retain our self-respect and the respect of all right-thinking men, and without these we should indeed be abject, and could render our country but poor and halting service."

Can it be doubted, had he addressed in this spirit, and in the manner of which he is so accomplished a master, the great majority which was returned to the House of Commons to support the Government, that that majority would have rallied to the support of their leaders? If there be any doubt, where is the patriotism and political morality of the party in power?

In the intimate association that must necessarily subsist among the members of a party carrying on the Government, it is impossible that a few, or even one, can for any length of time remain better or purer than the others. One of two things must occur if they continue in association: either the unselfish, the patriotic, the pure, if but one, will leaven the mass, lift it up and place it on a level with himself, or the mass will draw him down to their own level.

The latter unfortunately appears to have been the fate of Messrs. Mackenzie and Blake. It is to be deplored, in the interests of the country, that they should have been guilty of political recreancy. They have struck a blow at the purity of public life and at the *morale* of the whole Commonwealth from which it cannot recover during the present generation. In their case, as in all like cases, the first downward step was irretrievable and fatal; their subsequent descent, until they landed in the disgraceful scandals of the session just closed, was rapid.

Mr. Mackenzie's political tergiversation is matter for profound regret, indicating as it does a disregard for solemn pledges on the part of one of the loudest professors of political purity which the country has produced. It was begun, too, at a time, I may say, when he revelled in the plenitude of power, receiving the support of the people and their representatives with an unanimity never before enjoyed by a Prime Minister of Canada. Mr. Mackenzie, therefore, cannot urge in extenuation of his backsliding even the poor plea of weakness.

Mr. Blake was looked upon as the young Bayard among the public men of Canada, to whom office would be a burden only to be undertaken and endured for the opportunity it would afford him of serving his country, and to be relinquished the moment it became a question between office on the one hand, and consistency, self-respect and honor on the other. It was supposed that his only ambition was to serve his country and merit the approval and confidence of his countrymen. Mr. Blake's high character and known independence gave him the power, had he chosen to exercise it, not only to frown down all incipient self-seeking and meanness among the greedy of his supporters, but to prevent, or at least stop when discovered, flagrant and scandalous violations of the Independence of

Parliament Act. Such violations were charged in some cases against leading members of his party, and in connection with the other cases the Government itself is more seriously compromised than any non-official member of Parliament, as in all cases of real turpitude the Government was necessarily a party. But Mr. Blake did not so exercise his power.

Had such scandals as were brought to light last session been established four or five years ago—that the Speaker of the House of Commons, the arbiter in that House between the Government and the Opposition, on whose impartiality the minority is dependent for justice and fair play, the guardian of the rights and privileges of the Commons—had it, I say, been established four or five years ago that the Speaker had been for four sessions of Parliament a Government contractor, and, in that capacity, had received large sums of public money in violation of the Independence of Parliament Act, would not Mr. Blake have made the country resound, and very properly, with his fervid eloquence in denunciation of so brazen and corrupt a scandal?

When it was discovered that the Speaker of the House of Commons and many members of Parliament were involved in these scandals, what said Mr. Blake? No word of condemnation fell from his lips. How could Messrs. Blake and Mackenzie condemn that in which they as members of the Government were participators? It need not, however, surprise Mr. Blake if, in the minds of those who mark his silence now, doubts arise of the sincerity of his lofty-toned, but unjust and cruel, diatribes in 1871 against Colonel Gray, then of New Brunswick.

The scandals revealed last session were the grossest ever committed in Canada—I do not except the Pacific Railway Scandal or any other. I need not tell you that I am no defender of what was done with respect to the Pacific Railway contract in 1873. It is well known, however, to every man who has been a Member of Parliament, or a candidate, as well as to every elector in the country, that spending money at elections in those days was regarded as a pardonable act of illegality. But, I ask, would any one think of comparing in enormity such expenditure with the scandals unearthed last session? Consider the culminating scene in the House of Commons on the last day of the session. The Committee of Privileges and Elections deciding that the Speaker had been a Government contractor, had therefore vacated his seat, and reporting their decision to the House—but the Government preventing the consideration of the report by its presentation being so timed as to be simultaneous with the summons of the Governor-General to the Prorogation.

The House of Commons which by a discreditable manœuvre thus burked the consideration of a report that told the world its Speaker had been paid by the Government nearly Twenty Thousand Dollars, in violation of the Independence of Parliament Act, and therefore had no right to the seat he occupied, was the same House which only a fortnight before had adopted the report of a Committee calling upon Sir John Macdonald to pay back Six Thousand Six Hundred Dollars that he had spent in

the public service. Was not this a rare and humbling exhibition of straining at a gnat and swallowing a camel?

The Government were not only necessarily active participators in these scandals, but, by the course they pursued in burking the inquiry and otherwise, they compelled all their supporters in Parliament to become morally participators with them.

When Messrs. Mackenzie and Blake, who for so long a time professed to keep vigilant watch over the people's money, who arrogated to themselves the places of Tribunes of the people,—when they proved not only faithless to their pledges generally, but participators in political offences of the heinous character brought to light last session, it became the duty of every man who was in any position to do it, to call attention to them and point out that those offences were in their nature more debasing, and in their evil tendencies more wide spreading, than any previously known to this country.

It is painful to me to write in these terms of the Government of our country, and especially of Messrs. Mackenzie and Blake, two gentlemen for whom I had entertained great respect and in whose professions of political integrity I at one time placed confidence. It was not pleasant to discover that I had been deceived by them, but so it was, and I declared it from my place in the Senate more than a year ago. Many were deceived as I was, and I know that what I am now proclaiming, as from the house-top, thousands are confessing at their firesides in friendly interchange of confidence with their neighbours.

When men set themselves up as leaders of their fellow-men, basing their claims mainly upon their pretended higher political morality and purity, as Messrs. Mackenzie and Blake did, and when it is discovered that the chief difference between them and those they assailed was in the garment the assailers wore—the cloak of political hypocrisy—it becomes a duty to exhibit them to the people in their true character.

Mr. Mackenzie and Mr. Blake took their stand, as it were, in the political market-places and thanked heaven that they were not like other men, especially not like that vile offender, Cauchon; and when he came between the wind and their purity, they, with averted and upturned heads, went away, saying that his sins were “rank and smelt to heaven.” But they are now the colleagues and bosom friends of Mr. Cauchon, and thus show that they are more guilty than he, by, at least, one sin,—the odious sin of hypocrisy.

Again, we can picture them in the same market-places, beating their breasts and, with real eloquence, pouring out their expressions of gratitude that they were not only better than mankind in general, but especially better than that irreclaimable sinner, John A. Macdonald, who, in addition to habitually committing all the sins forbidden by the Decalogue, was a “Political Coalitionist,” an offence for which, according to their code, there was no pardon.

Now, look at their own Government—a Coalition! Yes, the most heterogeneous and unprincipled Coalition that ever existed in this country, chiefly

composed of men who were brought together, and are kept together, by no higher principle than selfishness, the salaries and perquisites of office.

When they were struggling for office, Sir Francis Hincks, in debate, described their party as "an organized hypocrisy," and it would be difficult to characterize it more appropriately and truthfully. After having been so deceived, will the people ever again place confidence in the asseverations of professors of political purity?

Now that I have shewn that these gentlemen have utterly repudiated and thrown to the winds all their professions and pledges of political purity, let us endeavour to discover what they have done as statesmen and administrators. Their only attempt at what may be called high statesmanship was the negotiations in 1874 and 1875 with British Columbia, and no Canadian can read the Orders in Council and despatches of his Government upon those occasions without a blush.

What can be said for them as mere administrators? They succeeded to power under most advantageous circumstances for themselves. Their triumph at the polls was unprecedented. In Parliament their measures were not only unopposed, but almost uncriticized, so overwhelming was their majority, so beaten and dispirited was the Opposition. They came into office, after twenty years' discipline in Opposition, proclaiming during that whole period that they had a policy, the introduction of which would be of incalculable advantage to the country. If they had had a policy, they certainly had a favourable opportunity of introducing it.

The Dominion, in all its Provinces, has now for some years been suffering from commercial depression and financial stringency, unexampled in severity in the memory of the active men of to-day. These have gone on increasing in intensity, aggravated by the failure of the crops of last year, until now, it may be said, that the sound chiefly heard in our streets is the voice of complaining. The farmers, in many parts even of our favoured Province of Ontario, have been compelled to import large quantities of corn for provender, and in some districts even wheat for bread. The aggregate amount of money borrowed by them, and secured by mortgages on their homesteads, during the last nine or ten months, is undoubtedly larger than was ever before borrowed by them in the same space of time. The manufactories of the country are unprofitable or closed; the lumberman is either selling his lumber at a loss or holding it to sell, perhaps, at a still greater loss; the country merchant, unable to collect his debts, is, in turn, unable to pay the wholesale merchant, and, with deplorable frequency, both are launched into insolvency.

It may be said that Loan Societies and Official Assignees are the only classes who are at present doing a prosperous business. Such has been the universal and great shrinkage in the value of property of every description that there is scarcely a man in the country who is not poorer to-day than he was a year ago. The Government, unfortunately, has evidence of the truth of this in the Department of Public Finance, that trusty

barometer of the prosperity of the people. Four, five, and six years ago, the annual revenue invariably exceeded the most sanguine estimates of the then Ministers of Finance; now the revenue falls below the most cautiously prepared estimates. Governments cannot increase in riches so long as the governed are growing poorer. This is a truism which our Government would do well to lay to heart.

The circumstances of the people are not such at present as to render the prospect of increased taxation agreeable; but we shall have to bear increased taxation. The largely augmented expenditure of the present Government, continued in the face of a diminishing revenue from the ordinary indirect sources, must, I apprehend, render direct taxation an inevitable and early necessity. This is a matter that affects you closely, for if direct taxation has to be resorted to, a land tax will in all probability be one of its features.*

Now, while the country has been suffering as I have described—and no one can say that the picture is overdrawn—several sessions of Parliament have been held, each at a cost to the people of this Dominion of about Six Hundred Thousand dollars. And what has Parliament done, or attempted to do, to revive the languishing, the almost extinct industries of the country, or to alleviate the existing depression, or even to inspire the desponding with a ray of hope? It has done nothing, and attempted nothing. On the contrary, the Government declared that it was not in the power nor was it the function of the Government or of Parliament to alleviate by legislation the widespread suffering, and said, substantially, that the depression had been produced by overtrading, and could only be relieved by a wholesome contraction of trade.

Is it then to be admitted that free and constitutional Governments have it not in their power to do aught to advance the interests of the countries they govern? Is there no science in statesmanship? Are Cabinet Ministers only Cashiers to receive and disburse the Revenue, and Officers of the law to preserve the peace? If these are their only duties, our Ministers are too many in number and vastly over-paid. These lower functions are all that our Government profess to discharge, but I think there are much higher ones which they might exercise with signal advantage to the country; but they must see these latter ones before they can exercise them.

If, in the opinion of the Government, Parliament could not, by legislation, do anything calculated to revive the prosperity of the country, what did it give to the people, during its last session of nearly three months, in exchange for Six Hundred Thousand Dollars of their money? Few Acts of importance were passed, and the country would not have been much, if at all, the loser if it had had to wait for most of these for some years to come.

The power and ingenuity of the Government seem to have been exhausted

* If direct taxation could be made to bear equitably upon the whole people of a country it would be the most economical and best mode of raising revenue, but political economists have not yet devised a system of direct taxation at once equitable and practicable.

in efforts to injure the character of Sir John Macdonald. This appears to have been the only policy of last session. I can discover trace of no other. True, it was not ennobling to the actors nor calculated to benefit the country or exalt its name at home or abroad. Happily for the credit of Canada, these efforts failed in their object.

Much of the time of the Committee of Public Accounts of the House of Commons was spent in what I think may be called the trial of Sir John Macdonald. The Minister of Justice did not think it unworthy of his high office to rise in that Committee (two-thirds, at least, of the members of which were his political supporters, ready to accept his reading of the law), and to arraign and examine Sir John Macdonald, his predecessor in office, for having misappropriated or spent without proper authority Six Thousand Six Hundred Dollars of the Secret Service Fund.

The whole proceeding was a cruel indignity offered to that gentleman. His pursuers should have remembered that he had been a Minister of Canada for a quarter of a century, trusted by the people with the whole destinies of the country,—destinies which he had guided with great success, the people enjoying unexampled prosperity, every intelligent and industrious man growing richer and richer year by year, while it is well known that Sir John Macdonald left the public service a poorer man than he entered it.

It is also known that the emoluments received by Cabinet Ministers now are about one-half larger than were received by them during his time, except for the last few months of his public service.

I desire to refer to another matter, one in which my own name came up. During last summer a Royal Commission was issued, ostensibly to enquire into the affairs of the Northern Railway Company (strange to say, after Parliament had commuted the debt owing by the Company), but, apparently, mainly for the purpose of endeavouring to show that sums of money, in all Two Thousand Five Hundred Dollars, subscribed by individual Directors of that Company to a Testimonial to Sir John Macdonald (of which I was Treasurer), and paid for them, by the Company, could be made to appear by legal sophistry to belong to the Government.

This inquiry was followed up by a Committee of the House of Commons, before which it was established that the Testimonial (set on foot when he was supposed to be on his death-bed) was for the benefit of his wife and family, and that Sir John did not know who any of the contributors were.

The object of the Government in all this must have been to manifest ostentatiously their jealous care, faithful guardianship, and sleepless watchfulness of the people's money. If a scrupulous care of the people's money had characterized their administration of public affairs through all its ramifications, we might admire their stern consistency, and their fidelity to their pledges of retrenchment and economy.

To assist you in determining whether their administration has been governed by a proper consideration for the means and resources of the country,—by that consideration which their pledges entitled the people to expect,—I

will submit to you a few facts in respect to their management of some of the Public Works, beginning with the

PACIFIC RAILWAY.

The course of the Government with respect to this great undertaking has been extraordinary and unfortunate. They do not seem to have been governed by any settled policy or plan, and without these they rushed into large expenditure, and committed the country to heavy engagements. They began, not by constructing any part of the main line, but by giving Mr. A. B. Foster a contract for what they called the Georgian Bay Branch of the Pacific Railway. They did this without first surveying the country through which this Branch line was to run, and therefore without an estimate of its cost, or even knowing whether the undertaking could be carried out. When explored, a great part of the country was found to be a barren wilderness, impracticable within any reasonable cost for a Railway, on the line and of the curves and gradients specified in the contract. The project had to be suspended, the contract cancelled, and One Hundred and Nine Thousand dollars were paid to Mr. Foster, for which, so far as I can discover, the country got very little value.* Why this Branch should have been placed under contract so hastily and recklessly, requires a fuller explanation than Mr. Mackenzie has yet given. One thing is certain, the interests of the Dominion did not call for and were not consulted in this transaction.

Then, with respect to the Main Line, the Government saw fit to commence it on the section between Thunder Bay—or rather between Fort William on the bank of the Kaministiquia, six or eight miles from Thunder Bay, on Lake Superior—and the Red River, a distance of 410 miles, through a wilderness, no part of which, worth mentioning, according to the testimony of Mr. Sandford Fleming, Chief Engineer of the Railway, is fit for settlement. Mr. Fleming's evidence upon the subject is in full accord with that of all other persons who have visited the region. It abounds in small lakes, quagmires and rock. Through a considerable part of the country the construction of the Railway will be difficult and costly, there being much rock cutting and some tunnelling. When finished it will only be a summer road, open for five months in the year, and run at enormous loss to the country. Long before it is finished the American line from Duluth to Pembina, on the frontier of Manitoba, is certain to be completed, and will be open *via* St. Paul all the year round.

* This item of One Hundred and Nine Thousand Dollars stands in the Public Accounts as stated above, but it was explained in Parliament that Forty-one Thousand Dollars was the amount paid to Mr. Foster on account of his contract for the Georgian Bay Branch, and that the balance, Sixty-eight Thousand Dollars, was an advance made to him upon Iron Rails, under his contract with the Canada Central Railway Company for building the line—subsidized by the Government—to connect the Georgian Bay Branch with the Canada Central Railway. These Iron Rails were valued at Forty-eight Dollars per ton and three-fourths thereof, or Thirty-six Dollars, per ton were advanced upon them. Steel Rails could have been bought deliverable this Spring at Montreal at Thirty-six Dollars per ton.

The Pacific Railway is under contract from Fort William westwards to English River, a distance of 113 miles, and from Selkirk, on the Red River eastwards to Keewatin (Rat Portage) 114 miles, including the costly section, *number fifteen*. At Port Savanne, 73 miles west of Fort William, the Railway will connect by the Savanne River with the waters of Lac des Mille Lacs, and of other and smaller lakes, and through them with Rainy Lake and River, and the Lake of the Woods.

It has been represented that the Railway will thus connect with and open for trade and commerce, upwards of 300 miles of water communication.

You can judge of its value as an avenue for trade and commerce when I tell you that the difference in level between Lac des Mille Lacs and the Lake of the Woods is about four hundred and thirty feet, and is overcome by nine portages. The most inexperienced in such matters will at once see that it will be utterly impossible to transport merchandize over this route; and yet this is the route the Government spoke of employing for transporting rails and other materials for the Pacific Railway from Port Savanne westerly. The Government does not appear to have known more of this country, when it plunged into heavy expenditure in it, than it did of the region through which it contracted for the building of the Georgian Bay Branch.

The next work upon which I will say a few words is

FORT FRANCIS LOCK.

When it was expected that the Pacific Railway would follow pretty closely the line of what is known as the Dawson route, that it would connect at Sturgeon Falls with the waters of Rainy Lake and that the chief water stretches (Rainy Lake, Rainy River and the Lake of the Woods) would be utilized for many years as part of the communication to the North-West, I could understand the policy of constructing Locks at Fort Francis, as, with other improvements, they would make navigable in one "stretch" the distance from Sturgeon Falls to the north-west angle of the Lake of the Woods, one hundred and seventy-seven (177) miles, and render unnecessary for a very long time the construction of about the same number of miles of costly Railway. But instead of carrying the Railway along the Dawson or Southern route, the Engineer deemed it better to locate it upon a line which removes it about one hundred (100) miles north of Fort Francis, so that the one undertaking has no possible connection with the other. Moreover the locating of the Railway on the level of Lac des Mille Lacs renders the utilization of the water stretches impossible, because it is separated from them by what is practically an insuperable natural obstacle—its altitude of four hundred (400) feet above Rainy Lake.

The works at Fort Francis, like the Georgian Bay Branch, were undertaken without survey, and without estimate. They cost, up to the 20th December last, One Hundred and Eight Thousand Six Hundred and Seventy-four Dollars, and only a small proportion of the work is performed.

How much has been expended since upon them, I have not the means

of knowing, but when surveys and estimates have been obtained, it will be for the Government to determine whether to proceed with them, or discontinue them and let the country lose the outlay, as in the case of the Georgian Bay Branch. Strange to say, the expenditure is charged against the Pacific Railway.

If these works should be proceeded with, the country will be committed to a further large expenditure for the improvement of Rainy River. This river is the Boundary Line between the Dominion and the United States. It, therefore, would seem but reasonable and just that expenditure made in improving this international communication should be shared by both countries in the proportions in which they are interested. Now that Canada is building a railway through that country, her interest in the improvement of those "water stretches" is very small. The inhabitants of Minnesota are the people who will be chiefly benefitted by the improvement of Rainy Lake and Rainy River, including the lock at Fort Francis. I regard our expenditure there as unnecessary and indefensible.

But surely the whole expenditure between Lake Superior and the Red River is premature and unwise! That section of the Railway will cost not less than Twenty Millions of Dollars; the interest will be One Million of Dollars a year, and with the loss on working the road (which I shall not venture to estimate) will amount to an enormous sum, to be borne by the tax-payers of this Dominion. I may say, my own opinion has always been that we should have been content, for a time, to use the United States lines for our all-rail-route to Manitoba, and begin our Pacific Railway at Pembina, thence to Winnipeg, and on through Manitoba and the North West, combining with its construction a comprehensive and attractive scheme of Immigration, under which Immigrants would be assured of employment and land,—employment first, and land afterwards. The lands retained by the Government in the North West, owing to the settlement of adjoining lands would have been enhanced in value, and their sale would have provided funds to aid in extending the railway as required without overburdening the Dominion Exchequer. In this way the Canadian Pacific Railway east of the Rocky Mountains could have been built as fast as required, for very little money, and our prairie country would have become quickly peopled. A similar course, as far as adaptable to British Columbia, might have been pursued in that Province; and when the Government decided to build the road as a Public Work no reasonable objection could be urged against this policy. Had it been followed, the Dominion, from the Atlantic to the Pacific, would have been more prosperous than it is to-day. We should have been free from the heavy engagements that weigh upon us, and free also from the financial peril that stares us in the face—imminent if not inevitable. Our expenditure to this time upon the Railway would have been comparatively small, and would increase only as might be convenient, for it would be subject to our own control.

As it is, the outlay in connection with the Pacific Railway to the 30th June,

1876, (according to the public accounts) amounts to the large sum of Six Millions Two Hundred and Fifty-four Thousand Two Hundred and Eighty Dollars. This includes the sum of Fifty-one Thousand Four Hundred and Nineteen Dollars paid for the station ground at

FORT WILLIAM ON THE KAMINISTQUIA,

being, exclusive of streets, about seventy-five acres of land of the town plot of Fort William (a paper town in the wilderness) which the Government bought from their political friends at the rate of about Six Hundred Dollars per acre. Included in the sum of Fifty-one Thousand Four Hundred and Nineteen Dollars, is Five Thousand and Twenty-nine Dollars and Thirty-six Cents, paid by the Government for an unfinished building, said to have been intended for a hotel.

I have seen no explanation of this transaction that justifies it or removes it from grave suspicion of jobbery. The subject was referred to a Committee of the Senate, but too near the close of the Session to permit the completion of the inquiry. The evidence of Mr. Fleming, Chief Engineer, and of Mr. Murdock, the locating Engineer at that point, was obtained. The former testified that the terminus was settled in conference with Mr. Mackenzie, that he (Mr. Fleming) was much surprised at the price paid for the land. Mr. Murdock testified that he located the line under instructions from the Department of Public Works, notwithstanding he had recommended a point nearer to the mouth of the river for the terminus, where the facilities would be greater and where a farm was offered for terminal grounds at \$75 per acre.

What is already known in connection with the selection of the terminus on the Kaministiquia renders a searching enquiry into the whole matter absolutely necessary.

From all the information I have been able to obtain, my own opinion at present is, that this terminus of the Pacific Railway cannot permanently remain upon the ground which has been bought and paid for, but that it must be removed either nearer to the mouth of the Kaministiquia, or to Prince Arthur's Landing.

It undoubtedly requires great vigilance on the part of the Government to protect the public interests when large expenditure is in progress, such as that upon the Pacific Railway survey, extending as it does across a great part of the continent, which, between Manitoba and British Columbia, is almost entirely uninhabited. Persons under the title of Purveyors are employed, who seem to traverse the whole country between Lake Superior and the Pacific Ocean, disbursing public money for every conceivable purpose. It may be a necessary but it certainly is an objectionable system, as efficient supervision or audit of the expenditure would seem impossible. The following large amounts were expended in this way during the fiscal year ending on the 30th June last:

At Prince Arthur's Landing on the requisition of N. Bethune, Purveyor.....	\$158,891 50
Paid in Manitoba by cheques drawn by Thos. Nixon, Purveyor.....	194,537 45
Paid in British Columbia by cheques drawn by J. Robson, Purveyor.....	322,888 98
Then for account of St. Francis Lock there are disbursements by N. Bethune.....	14,212 53
Same account, by John Logan.....	39,174 46
Various supplies from other parties, chiefly in Toronto.....	23,142 35

Purveyor Thomas Nixon is probably personally known to many of you who reside in the Township of Proton.

These introductory observations have extended to much greater length than I intended when I took up my pen, but I must not close them without alluding to that colossal blunder of the Government, the purchase years before they were wanted of

FIFTY THOUSAND TONS OF STEEL RAILS.

I think it will be admitted that Governments have no business to speculate with the public funds; that is, they have no right to spend the people's money before it is absolutely necessary to do so. It is no part of their duty to forecast the course of the markets for steel rails, or any other commodity, which the country may want at some future day. The members of our Government are not supposed to have had special training for such work. If they had had they would not have bought 50,000 tons of steel rails in a falling market when the rails were not required, and on the advice of persons interested in selling. Mr. Mackenzie says he acted on the advice of hardware merchants and agents of iron masters—the very men who were interested in making sales, especially in a falling market.

Mr. Mackenzie also says he consulted Mr. Sandford Fleming, the Chief Engineer. Mr. Fleming has had great experience in his profession, but speculating in steel is not in the line of his profession, and I am sure Mr. Fleming does not pretend to have any skill in judging of the probable course of markets.

It is two years and a half since the Steel Rails were bought; no portion of them was required for the Pacific Railway until this summer, and only a small quantity will be wanted during this season. Had the Government not ordered these rails till last autumn, which was as early as they need have done, they could have contracted for the delivery of 50,000 tons at Montreal for One Million One Hundred and Thirty-eight Thousand Nine Hundred Dollars less than the country has paid for that quantity.

But if the Government had waited until last fall the order would not have been for 50,000 tons but for enough only for one year's requirements—probably 10,000 or 12,000 tons, at Thirty-six Dollars per ton, costing at Montreal Four Hundred and Thirty-two Thousand Dollars, or say, delivered at destination, Five Hundred Thousand Dollars. This is all that need

have been disbursed for steel rails, for the Pacific Railway, to the close of this year. But, instead of this amount, the Government has actually disbursed no cost, charges, and interest—upwards of Three Millions Five Hundred Thousand Dollars, being Three Millions and odd Dollars more than they need have disbursed, and which sum, now represented by piles of corroding steel rails, might have been and ought to have been still at the credit of the country with its bankers, where it would be convenient to have ~~had~~ it at present.

On a subsequent page will be found a statement of the transaction. It shows that the country, up to the 30th June last, had lost by it more than a Million and a Half of Dollars; and further payments have been made which were not included in the Public Accounts of last year.

Is not this appalling? Consider what might be accomplished in this country with One Million Five Hundred Thousand Dollars judiciously expended, and that of this lost sum, no less than One Million One Hundred and Twenty-three Thousand One Hundred and Fifty Dollars were paid away needlessly by the Government, to English ironmasters.

The loss to this date is not limited to the amount shewn above. But in consequence of having the rails on hand, the Government despatched five thousand tons to Vancouver Island, without waiting to see whether the Bill to provide for the construction of the Esquimaux and Namaimo Railway would pass. They would not have done this, had the rails not been on hand. The Bill did not pass. The rails are now lying on Vancouver Island corroding, and no man can say when they will be required. They represent in cost and freight not less than Three Hundred and Twenty Thousand Dollars.

There is still another and a worse case. The rails sent to Vancouver Island, although deteriorating, are the property of the country; but the Government has taken authority to make an absolute gift of about 4,000 tons of these rails to Nova Scotia for a private Company. When it was discovered that the Steel Rails would not be wanted for the Pacific Railway for years after they were purchased, about eleven thousand tons were sent to Halifax for use upon the Intercolonial and other Government Railways in the Maritime Provinces. One of these, the

TRURO AND PICTOU RAILWAY,

is about 52 miles long, connecting at Truro with the Intercolonial Railway, and at Pictou with the Gulf of St. Lawrence. To aid in extending Railway communication into the eastern part of Nova Scotia, the Government agreed to transfer the Truro and Pictou Line, by way of bonus, to any Company that would agree to continue it from a point near Pictou to the Strait of Canso. The negotiations were commenced in the time of the late and concluded by the present Government.

In 1874 the House of Commons passed a resolution authorizing the Government to conclude the transaction, and an Act was passed last Session to give effect to it. When this Bill was passing through the

House of Commons, the House was not informed by the Government, as it ought to have been, that subsequent to the House's authorizing the transfer of this Railway, a very large sum of money had been expended upon it. When the Bill came to the Senate, no communication of this expenditure was made to that House. Attention was called to outlays amounting to Seventy-seven Thousand Three Hundred and Sixty-nine Dollars for new works at Pictou and elsewhere upon the line; surprise was expressed that they should have been incurred after the Government had authority to transfer the Railway to a private Company. And this led to the astounding discovery that the Government had actually re-laid 42 miles of the line with steel! which must have taken, including sidings, about 4,000 tons of rails.

The excuse offered by the Government for this unauthorized, and, under the circumstances, extraordinary expenditure, was that the Railway had to be maintained, that the track was wearing out and had to be relaid. But does any one suppose that it would have been relaid with steel had it not been for the unfortunate purchase of steel rails? The Government had them on hand and were anxious to get them out of sight, and to help to do this actually gave away four thousand tons, which cost about Two Hundred and Twenty-five Thousand Dollars, to a private Company.

The road had been open only a few years, and, considering its light traffic, the track cannot have been in very bad order. Whatever renewals were necessary should have been in iron rails, of which a large quantity was removed on the Intercolonial, to be replaced by steel. The iron so removed was nominally lent, but I presume really given, to private Companies who are building Branch Railways to connect with the Intercolonial. If these iron rails are sufficiently good to lay upon new roads, surely they were good enough for repairing a Railway which was about to be given away.

It was said by the Government when the Bill was before Parliament that the Railway had very little traffic, but certainly the expenditure upon it would lead one to suppose that the traffic must be considerable and increasing. After its transfer had been authorized the Government must have expended upon it new works, relaying the track with Steel Rails, &c., Three Hundred and Twenty-five Thousand Dollars,—an addition to the gift contemplated by the House of Commons, wholly unauthorized. What can be said, not in justification, but in extenuation of thus giving away public property without the knowledge of Parliament?

The Government Steel Rail adventure in all its unfortunate phases, of which the Truro and Pictou is not the least remarkable, is so extraordinary—was embarked in so unnecessarily and unwisely, conducted so recklessly, if not corruptly, and has been so dire in its consequences to the country—that it would be altogether incredible were not the facts and results, as they are, absolutely demonstrated.

The transactions which I have brought under your notice involve the absolute waste of Millions of the public money; and the men who are directly

responsible for this waste are the same men whom the people—placing confidence in their ability as statesmen and administrators, putting faith in the sincerity of their professions of purity and in their promises of retrenchment and economy—raised to supreme power, and to whose support in the House of Commons the people sent a majority so large as to render the sway of the Government altogether unquestioned in the Dominion. Absolute power carries with it weighty responsibility. The present Government has wielded the power for nearly four years. How has it discharged the responsibility? Traverse the Dominion from Cape Breton to Vancouver Island, and enquire how the Government has acquitted itself of its duties; and the answer, from supporter and opponent alike, will be an expression of disappointment—varying in emphasis, of course, but always condemnatory.

Four sessions of the present Parliament have been held, at a cost to the people of about Two and a Half Millions of Dollars. Throughout all this period the control of the Government has been absolute—its majority in the House of Commons being overwhelming, and the Senate not unfriendly.

Whoever will search the Statute Books of these four sessions will find that the legislation of importance to the Dominion has been almost infinitesimal, and altogether incommensurate with its cost.

I fear the Government will go on still increasing the expenditure, and that deficits will continue to roll up. Should the war now raging in Europe extend, money will certainly become dearer in England. I am not without apprehension that the construction of even the useful and most desirable of the public works in progress may have to be retarded, if not suspended, and will thus, although representing a large outlay, be for a time of no utility, because unfinished. In times like the present, even if managed with prudence, our finances would give cause for anxiety; managed as they are, the future is pregnant with peril. In the Senate, I gave it as my opinion that Parliament should not rise without making better provision for the future. It would have been wiser to have provided for the existing deficit of Two Millions of Dollars than to wait until next session, when Parliament may have to deal with two deficits, each probably of Two Millions.

I regret to have to write thus of our public affairs. But unless the facts are made known to the people, the evils will not be remedied, and there is a numerous and influential class of men throughout the country interested in concealing the truth and profiting by the evils which prevail.

I wish that less of the work of exposing the mis-government of our rulers had devolved upon me; but I cannot look on in silence, and see the vital interests of the country compromised by those to whom its destinies are entrusted. I hold that every Member of Parliament is charged with the care of those interests, and that it is his imperative duty to give utterance to what he conscientiously believes is demanded in the public welfare.

I am, as you all know, one of the non-official class, having nothing to gain by the rise and fall of Administrations; having no object to serve beyond that

which I have in common with you and with every lover, as well as every taxpayer, of Canada;—interested only in the good name and fair fame of our country; interested in the honest, efficient and economical administration of public affairs; and, above all, because essential to the attainment of the others, interested that our Ministers should be men worthy to constitute the Government of Canada—men of high character and consistency, men of truth and honour.

To enable you to form a judgment for yourselves upon the increased amount of our expenditure, especially the controllable portion of it, I submit the facts to be found in the following pages, all of which have been extracted from official sources. I think you will agree with me that the exhibit is truly alarming—that the increase of our controllable expenditure is greatly in excess of the requirements of the public service, as well as far beyond the present means of our people. The increase of our public debt is also appalling, inasmuch as it is being incurred mainly for the construction of Works which will not only be unproductive, but the maintenance and working of which will be attended with heavy annual loss.

I have brought under your notice evidence only of the larger acts of mal-administration and of the grosser cases of extravagance and worse than extravagance that have been brought to light. How much remains to be discovered time only can tell, and even time may not disclose all the evidence that exists of administrative incapacity,—of reckless extravagance—of absolute waste of the public money—of scandalous jobbery. The present Government have certainly made haste to impoverish the country and impair its credit, and, simultaneously, have made havoc with the reputations of its members, while their pretensions to statesmanship and political purity have been utterly swept away.

Less than four years ago, Messrs. Mackenzie and Blake, as the leaders of the new Government, may be said to have unfurled their banner, and to have inscribed upon it

REFORM, RETRENCHMENT, ECONOMY, PURITY!

It was borne over the Dominion in triumph, amid the acclamations of the people. Four short years have more than sufficed to prove the hollowness of these lofty pretensions.

The proud inscription is effaced, and the banner itself is trailing in the dust.

I have the honor to be, Gentlemen,

Your very obedient Servant,

D. L. MACPHERSON.

P.S.—After the preceding pages were in type, I saw the official report of a debate on a motion of Mr. Kirkpatrick's, on the Fort Francis Lock. Mr. Mackenzie's speech on that occasion strikes me as being so extraordinary that I feel it my duty to bring it under your notice.

On the 21st February last, (*vide* official report of the House of Commons) Mr. Mackenzie, said :—"It (the Pacific Railway) touches at present "west of the Lac des Mille Lacs, or rather, the Kaministiquia River (*sic*, "Savanne River?) at a navigable point, a little beyond which the "latter falls into the Lake. *From that point there is almost continuous navigation with a few short portages on the way to Rat Portage, the crossing place "of the Pacific Railway, on Winnipeg River, with only one great obstacle, which "could not be overcome in any other way, than by constructing a Lock at Fort "Francis.* There are, as I stated roughly last night, two hundred and "twenty-eight miles under contract between Lake Superior and Red River, "of which one hundred and sixteen miles lie at the east end, or westward from "Fort William. At about seventy miles from thence, we reach a point east of "Lac des Mille Lacs, thereby coming into the best navigable system at a "place much further west, than would have been obtainable if the first contemplated line had been followed out."

It would be difficult in the same space to compress more of erroneous and misleading statement concerning the country spoken of, but not described, than is contained in the foregoing extract from Mr. Mackenzie's speech. I have italicized its most important passages; and unless it was intended to be meaningless, it foreshadowed enormous and useless expenditure. Mr. Mackenzie, judging by the report of his speech, made light of the "few short portages" between Lac des Mille Lacs and Rat Portage,—(Keewatin,) "the only one great obstacle" being at Fort Francis, which he said would be overcome by the construction of the Lock in progress at that point. Would the reader of Mr. Mackenzie's words suppose that the difference in level between the waters of Lac des Mille Lacs and of the Winnipeg River at Keewatin (Rat Portage) is no less than four hundred and thirty feet? The Fort Francis Lock will only overcome twenty-two feet of this fall: four hundred feet of it lie between Lac des Mille Lacs and Rainy Lake, and are, at present, overcome by eight portages. Everything, therefore, that is transported over this route must be transhipped twice at each of these eight portages, must be handled sixteen times between Lac des Mille Lacs and Rainy Lake. Imagine Steel Rails and other heavy materials for the Pacific Railway being thus transported—it cannot be done, and to speak of it as practicable is simply absurd.

Mr. Mackenzie, you will observe, said that when the railway reaches Lac des Mille Lacs (Port Savanne) it will touch "the best navigable system" in that country. This is an inexplicable statement to fall from Mr. Mackenzie's lips. I shall not impute intentional mis-statement to our Prime Minister, but will assume (what is scarcely less unpardonable because equally misleading) that Mr. Mackenzie omitted to inform himself about the country

which was the subject of debate on the 21st of February. His speech shows that while he professed to describe it with minuteness he was altogether unacquainted with its principal geographical features.

Instead of speaking of Lac des Mille Lacs as part of the "best navigable system," broken only by "a few short portages," Mr. Mackenzie, to have been accurate, should have described it as a Lake on the top of a hill, four hundred and thirty feet above the "navigable system" which he proposed to utilize.

Mr. Mackenzie seems to regard this route as only temporary, for he proceeds to say:—"Those who choose to look at the map will observe that the first line, which we hoped to take, went almost in a straight line from Kaministiquia Bridge to a place called Sturgeon Falls, this being at the head of a long arm of Rainy Lake, stretching north-eastward. That route was found not to be impracticable, but expensive. The line, as the hon. gentleman says, was carried further to the northward, but two-thirds of that country, perhaps, consists of water, and, in the vicinity of Rainy Lake, the country, to the north in particular, is intersected by deep, wide channels, which reach either the exact vicinity of the railway, or very near it, between Rat Portage, the crossing of the Winnipeg River, and the end of the eastern contract, a distance of one hundred and eighty miles—what we may call the Central District of that region. *No matter with what speed the road may be prosecuted, that part cannot be completed within four or five years; and in the meantime, if this Lock is finished, as I am informed it will be, during the coming season, we will be able to send out steamers to Rat Portage and to the eastern end of Rainy Lake during the season after next, and from that point to Lac des Mille Lacs is a comparatively short distance, so that in a few years we will be able to avail ourselves of these most magnificent water stretches connecting the two points which the railway would touch—east and west.* The policy of the Government from the first was to have the railway completed as straight as possible, and in the meantime to utilize any portion of the water communications which would connect the two points that ought to be reached by railway—years before they could actually be connected by rail. *This is the cause why it is of the utmost service to the Government in the construction of the railway to have the means of passing through these waters in the way I have indicated, especially with regard to the very heavy and cumbersome carriage of rails and materials of that kind, which are to be taken either from the west or the east.* The cost of the carriage of rails from Duluth to Red River is Fifteen Dollars per ton, three times the amount of the cost of transporting them from Montreal to Duluth. If the railway is finished to Lac des Mille Lacs, and if the Government, when that time may come, should be directly interested in carrying the other contract over the intermediate space to which I have referred, we expect we could carry the rails at one half the present cost in consequence of the completion of that undertaking, as the transshipment would be very difficult and expensive over the small portages, and particularly at Fort Francis, while I believe that to take the materials from Red River eastwards would entail still more formidable expenditure. I make

" these brief explanations in order that hon. gentlemen may see that we have at
 " all events reasons which were satisfactory to the Department and to the Gov
 " ernment for inducing us to come to the conclusion to prosecute this
 " work."

Mr. Mackenzie thus clearly announced it to be the intention of the Government to open unbroken navigation for steamers from Port Savanne (the railway station for Lac des Mille Lacs) to Rat Portage, on the Winnipeg River. He promised also to have it completed "in a few years," and "years before" the railway is finished between the points named. Can Mr. Mackenzie have been aware of the magnitude of the undertaking to which he committed himself?

Is it possible that he did not know that to connect Rainy Lake with Lac des Mille Lacs for the purposes of navigation, 400 feet, perpendicular, have to be overcome? Did Mr. Mackenzie know that the work he spoke of accomplishing in a "few years" and "years before" the railway is completed between Port Savanne and Keewatin (Rat Portage) involved the construction of canals through seven miles or more of rock and the building of forty locks, each of ten feet lift?

When declaring it to be the policy of the Government to carry out this stupendous undertaking, surely it was Mr. Mackenzie's duty to tell the country how many millions it would cost to construct the canals and the forty locks required to enable "steamers" from Rainy Lake to ascend 400 feet to the top of the hill whereon Lac des Mille Lacs reposes.

When the section of the Pacific Railway between Lake Superior and the Red River is finished the proposed system of navigation, if it should then exist, would be superseded by the Railway; and the tolls from traffic upon it would not, at any time, pay the wages of the keepers of its forty locks. Indeed, Mr. Mackenzie seemed to regard it only as auxiliary to the building of a section of the Railway, a means for transporting the heavy materials,—in short, to serve in the construction of the Railway as temporary works are made to serve in the erection of bridges and important buildings.

The Pacific Railway, even if constructed in the most judicious and economical manner, is a truly formidable undertaking for Canada; but if it should be necessary, as auxiliary to its construction, to open up a system of artificial navigation so stupendous as that between Rainy Lake and Lac des Mille Lacs would be—carried out to correspond with the Fort Francis Locks,—then it is manifest that the construction of the Railway, even of the Lake Superior section, must be left to future generations. Mr. Mackenzie's project of navigation-improvement, in addition to the Railway through the wilderness, between Lake Superior and the Red River, is of course out of the question; and when the facts connected with it are understood, the project—if ever entertained—must be abandoned.

When, on the 21st February last, Mr. Mackenzie announced that the Government intended to adhere to the policy of utilizing for years the

"water stretches" between Port Savanne and Rat Portage, did he know that in consequence of the Government having sanctioned the northern—the actual—location of the Railway, the utilization of the water stretches had been rendered impossible except by an expenditure for Canals and Locks which, I am sure, Mr. Mackenzie would not advise? Mr. Mackenzie seems not to have been aware of this fact on the 21st February. His speech throughout shows that he was at that time unacquainted with the topography of the country. Mr. Mackenzie spoke of the Fort Francis Portage as being the "only one great obstacle" to navigation between Lac des Mille Lacs and Keewatin (Rat Portage) on the Winnipeg River, and referred to the "few short portages" between Lac des Mille Lacs and Rainy Lake as trifling obstacles to be easily overcome—while, in point of fact, Fort Francis Portage compared with some of the others is an insignificant obstacle. At the latter point the fall is only 22 feet, while at Brulé Portage, French Portage, Pine and Deux Rivières Portages, the portage between Nequaquon and Nameukan Lakes, the falls respectively are, 47, 99, 124 and 72 feet; and, as I have before stated, the total fall from Lac des Mille Lacs to Rainy Lake is four hundred (400) feet. (See table on next page.) Had the Railway been located so as to touch the waters of Rainy Lake at Sturgeon Falls the "water stretches" from that point to the north-west angle of the Lake of the Woods, a distance of 177 miles, or to Keewatin (Rat Portage), about 200 miles, could have been utilized, and the construction of what Mr. Mackenzie calls the "Central District" of the Lake Superior section of the Railway (180 miles) might have been postponed for very many years. But, located where it is, the water stretches cannot be taken advantage of, and the two end sections of the Railway which are now being constructed will be utterly useless for business until they are connected by the Central section—until the all-rail-line from Lake Superior to the Red River is completed. The continued prosecution of the works at Fort Francis after the necessity for them had ceased, in consequence of that point being no longer on the line of through communication, goes to establish that Mr. Mackenzie was not aware that he had *shunted* the Railway a long distance aside from the water stretches, and had thereby defeated his own scheme—their utilization. I submit that I have put the only construction upon Mr. Mackenzie's speech of 21st February that is consistent with its having been spoken in good faith.*

I think I have proved by Mr. Mackenzie's own words that at the time he sanctioned the location of the Railway he did not know the full consequences to the country of his decision. What is to be said of an Administration that decided a matter of such importance without the fullest comprehension of everything relating to it? Does not the action of the

* The extent to which Mr. Mackenzie's speech on the Railway and "water stretches" was calculated to mislead the general public is exemplified in the fact that it seems to have misled even the *Globe* newspaper. All the inaccuracies of the speech were reproduced and endorsed in a leading article in the *Globe* of 7th May last, entitled "Fort Francis Lock."

Government in this case help to explain how works like the Fort Francis Lock, the Georgian Bay Branch Railway and the Steel Rail speculation, were entered upon apparently from mere impulse, without the deliberation which the public interests demanded, and without policy, plan, survey, or estimate?

D. L. M.

TABLE OF DISTANCES AND LEVELS BETWEEN LAC DES MILLE LACS, (PORT SAVANNE) AND LAKE OF THE WOODS.

Compiled from the reports of S. J. Dawson, Esq., C. E.

PORTAGES AND RAPIDS.	LAND CARRIAGE.		Difference in Level in feet.	NAVIGABLE WATERS.	Miles of Navigation.
	Miles.	Chains.			
Baril Portage.		16	* Rise 1.86	Savanne River and Lac des Mille Lacs	42
Brulé Portage		21	Fall 47.02	Baril Portage	8½
Descent in Windegostegoon Lakelets and stream			" 9.50	Baril Lake	12
French Portage	1	60	" 99.71	Windegostegoon Lakes....	
Pine and Deux Rivière Portages	2		" 124.12	{ Little French Lake and Kaogassikok Lake.....	15
Island Portage and Fall, Sturgeon River		13	" 10.06	{ Sturgeon Lake and River ..	27
Portage between Nequaquon Lake and Nemeukan Lake.	2		" 32.50	{ Nequaquon Lake	17
Bare Portage		11	" 72.00	Nemeukan Lake	10
Fort Francis		10	" 8.55	Rainy Lake and River	46
Manitou Rapids			" 22.88	{ Rainy River and Lake of the Woods	120
Long Rapid			" 2.50	{ Land Carriage.....	6½
			" 4.00		
Total	6	51	432.84	Total Miles	304
			* Off 1.86		
Difference of Level between Lac des Mille Lacs and north-west angle of Lake of the Woods			430.98	Distance from North-west Angle to Keewatin about 30 Miles.	

SPEECH

ON THE INCREASED PUBLIC EXPENDITURE.—DELIVERED IN THE SENATE,
OTTAWA, ON MONDAY, APRIL 16TH, 1877.

In pursuance of notice given by me, I beg to call attention to the increased public expenditure of the Dominion, especially that portion of it which is largely within the control of the Administration, and to inquire of the Government how it is proposed to restore the equilibrium between income and expenditure? When I brought this matter before the Senate early in the session, I intended that that should be the only occasion this session on which I would trespass on the patience of the House on this subject. But as my statements were received with a simple denial of their correctness by the Government, and the friends of the Government, I felt called upon to go more thoroughly into the question of public expenditure than I had previously done—not to satisfy myself of the correctness of the figures I had produced, for I had done that before, but to bring conclusive proof of their accuracy before the Senate.

But before entering on that branch of my subject, I shall say a few words upon a very important matter connected with our finances; and if the statement to which I am about to refer can be substantiated it will be gratifying to me, and I am sure to the House also. The statement to which I refer will be found in the speech of the Prime Minister, delivered on the Budget, on the 20th February, 1877, on page 176 of the *Hansard* of the House of Commons. It is as follows:

"I have shown that when they (the late Government) left office the expenditure was at Twenty-four Million Dollars. When they entered office, the expenditure stood at Thirteen Million Dollars, and in the course of six years they increased the expenditure by Eleven Million Dollars. We have been in office three years, and have decreased the expenditure by One Million and a Half Dollars. That is the difference between the two Governments. We have, moreover, made the most ample provision to have all the public wants attended to. We have erected public buildings in different places, the buildings at Montreal, Toronto, and in this city having been almost entirely constructed during that period; and, further, we have effected the reduction of the estimates which were left us when the hon. gentlemen opposite resigned office. This is a true statement. Any one who chooses to examine the Public Accounts will see for himself the real state of affairs."

I did examine the Public Accounts, and did not find Mr. Mackenzie's statement borne out by them; but, on the contrary, discovered several inaccuracies in it. The first is, that the public expenditure in 1873 was Twenty-four Million Dollars, whereas it was only Twenty-three Millions, Three Hundred and Sixteen Thousand Three Hundred and Sixteen Dollars. The late Government left office on the 7th November, 1873, so that the present Government had the administration of affairs, as nearly as possible, for two-thirds of that financial year, and their predecessors for one-third. It would have been but fair if the Premier, also, in making his statement, had explained this. It would have been but fair to have compared the expenditure of the year preceding the last year of the late Government's incumbency of office, 1872-1873, with the year the hon. gentleman referred to—1868. If he had done this, the expenditure for the year ending the 30th June, 1873, would have been found to be Nineteen Million One Hundred and Seventy-four Thousand Six Hundred and Forty-seven Dollars, and for the year ending the 30th June, 1868, Thirteen Million Four Hundred and Eighty-six Thousand and Ninety-two Dollars—the difference between them being Five Million Six Hundred and Eighty-eight Thousand Five Hundred and Fifty-five Dollars. But even taking the next year—the year which he did take, and which I think was straining the comparison very far—there was a great inaccuracy, considering the lips from which it fell. For the year ending the 30th June, 1874, the expenditure was Twenty-three Million Three Hundred and Sixteen Thousand Three Hundred and Sixteen Dollars—being a difference between the expenditure of that year and of the year ending the 30th June, 1868, of Nine Millions Eight Hundred and Thirty Thousand Two Hundred and Twenty-four Dollars, instead of Eleven Millions Dollars, as the Premier had stated—an error of One Million One Hundred and Seventy Thousand Dollars. This was a very important inaccuracy in dealing with figures in a matter of this kind. It is true, we have of late got into the habit of dealing with large sums, but the hon. gentleman, in making a statement as the basis of an argument against his predecessors, ought to have been as nearly as possible accurate. The statement of the Premier was, therefore, unfair and unjust to his predecessors, and calculated also to mislead the country. The other inaccuracy in the statement of the Prime Minister was, that his Government, during the three years they had been in office, had reduced the expenditure by a Million and a Half of Dollars, and the hon. gentleman has referred to the Public Accounts, alleging that they sustain that statement.

I have referred to the Public Accounts also, but they do not support the statement of the Prime Minister; on the contrary, the Public Accounts show that the expenditure has increased year by year since his accession to office. The expenditure of 1876 was larger than that of 1875.*

In referring to the public expenditure the Premier ought to have been accurate. Such mis-statements as I am calling attention to led the people of the country to believe they were better off than they really are; and that was not a worthy or proper thing for a Government to do. I hope the statement can be explained, for I can not doubt the errors were unintentional. In referring to the expenditure of previous years, especially of 1868, the Prime Minister should have remembered that Confederation was only in its infancy then, that the foundations of the Dominion had to be laid, and a large abnormal expenditure incurred. The Intercolonial Railway had to be undertaken and large amounts to be expended in the various Provinces. All this was

* The estimates for 1878 are larger than those for 1877. I can discover no facts in the past or present to support the statement of the Prime Minister.

perfectly indispensable. If the statement of the Prime Minister meant anything at all, he meant it to be understood that the burdens of the people had been reduced by his Government, in the three years they had been in office, by the sum of a Million and a Half of Dollars; and yet this is not possible, for the estimates for next year are larger even than those for last year. It would not be worthy of the Prime Minister to say that he only meant that the expenditure from revenue upon the construction of certain public works was diminishing. Notwithstanding any reduction that might be made in expenditure upon Public Works from revenue, the interest upon the increasing expenditure from capital would still maintain the expenditure of the country, out of income, at its former or at a higher point.

It would not be fair to the country to represent a mere transfer from one account to another as a real diminution of the burdens of the people, and unless the statement of the Prime Minister meant that there had been a positive diminution, it was misleading—not intentionally so, I feel sure, but necessarily misleading. So soon as the construction of certain buildings was finished, as a matter of course, the expenditure on them would stop, and unless other buildings or works, to be paid for out of revenue, were commenced, the expenditure under that head must decrease; but it does not follow that an absolute reduction of the public expenditure would be the result. There might be a reduction under one head and an increase under another, a mere transfer from one column to another; and I fear that that is the case at present. The Government has been engaged in the construction of public works, all very desirable of their kind, but in course of time they become finished, and unless the Government enter upon similar expenditures elsewhere, the outlay under that head must decrease; but they are going on with a very large expenditure from capital, and the interest upon that is charged to the Consolidated Revenue Fund; therefore, the gross expenditure of the country from income does not decrease, and I am afraid will increase very rapidly. The Prime Minister should remember that the Railway now building between the head of Lake Superior and the Red River would cost not less than Twenty Millions of Dollars; the interest on that would be One Million a year in round figures, to say nothing of a heavy loss from working the railway.

It had been asserted very confidently by the present Government that they had been committed by their predecessors to the large expenditure from revenue which was being carried on increasingly, and therefore that it was not within their control. I believe the contrary is susceptible of proof, and I will endeavor to throw some light on that subject. To do this I must take a retrospect of the financial affairs of the Dominion since 1870. It will be attended with some pleasure to review the prosperity the country enjoyed from 1870 to 1874, even if by contrast it make the present gloom seem darker than it otherwise would appear. I will first refer to the Budget speech of Sir Francis Hincks, delivered on the 7th April, 1870. Sir Francis said:

"I believe the country is in a state of prosperity, perfectly able to meet all its obligations, and there is no cause of complaint of excessive taxation." Sir Francis then proceeded to speak of the debt, per head, of the population: "I find, sir, if we take Great Britain, that the debt of that country is about One Hundred and Thirty-five Dollars per head of the population. The debt of the United States is about Sixty Dollars per head. I may here observe that although the ratio of debt is lower in the case of the United States than that of Great Britain, it would be unfair to estimate the burdens of the people according to the same ratio, for it is perfectly well known that the debt of England carries a very small rate of interest, while the debt of

"the United States carries a large rate. Now, sir, while the debt of those countries is what I have stated, the debt of Canada is about Twenty-two Dollars and Fifty Cents per head of the population. Then, again, taxation in Great Britain is at the rate of Ten Dollars per head, and in the United States Nine Dollars and Twenty-five Cents, while in Canada it is only about Three Dollars and Fifty Cents. I do not think, bearing these figures in mind, that we need be afraid of any slight increase of taxation which it may be necessary to impose upon the people, that there shall not be the least cause to apprehend deficits in the future."

Sir Francis proceeded to say the surplus on the transactions of the year ending June 30th, 1870, would be about One Million Dollars; yet, notwithstanding the sound state in which the finances of the country then were, Sir Francis considered it prudent to increase the tariff five per cent. on the duty of fifteen per cent. I will next refer to the budget speech of Sir Francis Hincks in 1871. In that year the finances of the country were in an exceedingly satisfactory condition. Sir Francis had estimated the surplus at One Million Eight Hundred and Ninety-two Thousand Dollars; it actually amounted to Three Millions Seven Hundred and Twelve Thousand Four Hundred and Seventy-nine Dollars, for the financial year ending June 30th, 1871. I will also read the opinion of Sir Alexander Galt,—who was then not a supporter of the Administration, and who, while he made the following remarks, attacked several points of the Finance Minister's policy:—"With a redundant revenue, and abundant means, and low taxation, nothing but ordinary prudence and economy were necessary to insure the future progress of the country."

On the same occasion Mr. Cartwright pointed out that people when in easy circumstances were very apt to make engagements which they would not otherwise make, and maintained there was great danger in such a course, and said: "A very considerable portion of our future surplus would be taken up for interest on the cost of the Intercolonial Railway, which he thought would probably cost much more than was estimated. For all these reasons he considered it a fit and proper time to warn the Government and the country of the possible results of the course they were now pursuing."

As early as 1871 the present Finance Minister foresaw the difficulties which have since overtaken us. He was among the first to predict the crisis, and he called attention to it every succeeding session until he became Finance Minister himself, when he seemed to regard but lightly the danger he had warned his predecessors against. Such was the state of the revenue that year (1871) that Sir Francis modified the tariff by taking off the five per cent. imposed the previous session; and, although he did not wish it and it was not a part of his policy, the duties upon agricultural products and coal were also taken off. At that time there was nothing said about the equilibrium between revenue and expenditure, the revenue greatly exceeding the expenditure.

I now come to Sir Francis Hincks' Budget speech of 1872. Notwithstanding the repeal of the duties imposed in 1870, involving a loss to the revenue of Eight Hundred Thousand Dollars, there was a surplus of Three Million Seven Hundred and Twelve Thousand Four Hundred and Seventy-nine Dollars for the year ending the 30th June, 1871. For the year ending 30th June, 1872, the surplus was estimated at Three Million One Hundred and Fifteen Thousand Four Hundred and Sixty-five Dollars; the actual surplus was Three Million One Hundred and Twenty-five Thousand Three Hundred and Forty-five Dollars. Sir Francis Hincks estimated the surplus for the year ending 30th June, 1873, at One Million Dollars; the actual surplus was

One Million Six Hundred and Thirty-eight Thousand Eight Hundred and Twenty-two Dollars. Those were unquestionably years of plenty; and it was at that time, and under the circumstances I describe, that the late Government recommended the construction of certain public works, such as piers, harbours, light-houses, marine-hospitals, custom-houses, post-offices, &c., to be paid for out of the surplus revenue. It will be admitted that the state of the revenue in those years was such as to justify this expenditure.

I now come to the budget speech of Mr. Tilley, which contained a very interesting *resumé* of the financial history of the Dominion. The duties on tea and coffee had been repealed in 1872, and the loss to the revenue from that source was One Million Two Hundred Thousand Dollars. Notwithstanding that, the surplus for the year ending the 30th June, 1873, was One Million Six Hundred and Thirty-eight Thousand Eight Hundred and Twenty-two Dollars. There was no additional taxation proposed that year. During the session of 1873 there were enactments passed which increased the expenditure of the country very considerably, and which it would not be fair to lay at the door of the present Government. These were increased subsidies to the Provinces resulting from the readjustment of the Provincial debts; expenses connected with the admission of Prince Edward Island to the Union, and increased salaries to the Civil servants. These, altogether, as estimated by Mr. Cartwright in his Budget speech of 1874, imposed on the country an additional burden of One Million Five Hundred Thousand Dollars. Mr. Tilley's estimates for that year, as introduced, amounted to Twenty Millions Nine Hundred and Forty-one Thousand One Hundred and Eighty-three Dollars. Then the legislation to which I have just referred was passed, and the expenditure for the year, under Acts of Parliament and by supplementary estimates, was authorized to be increased (according to Mr. Tilley) by the sum of One Million Five Hundred and Forty-two Thousand Dollars, making the total estimates for that year Twenty-two Millions Four Hundred and Eighty-three Thousand One Hundred and Eighty-three Dollars. The Senate will thus see that the Government of that day provided for the additional expenditure ordered by Parliament in the session of 1873. Mr. Tilley evidently supposed he was making ample provision for all the requirements of the year ending 30th June, 1874, including the increased statutory expenditure passed in the session of 1873. The late Government went out of office on the 7th November, and Mr. Tilley was succeeded by the present Finance Minister. Mr. Cartwright, in his Budget speech of 1874, took a very gloomy view of the affairs and prospects of the country, and his speech was replete with words of warning; but instead of decreasing the expenditure, as would have been reasonable and prudent, he increased it very largely. That was the first error, and a very grievous error it was, on the part of the Administration. They saw the impending crisis—it was then to some extent upon us—but they went on increasing the expenditure very largely. The Finance Minister had been warning the country; he had put up storm signals in all directions for his predecessors; but, notwithstanding all, he did not act upon the opinions he professed, and did not take the precautions which a prudent Minister should have adopted under the circumstances. The statutory increases were referred to by Mr. Tilley; and honourable gentlemen will also observe that Mr. Tilley and Mr. Cartwright, the Finance Ministers of the late and present Administrations, agreed substantially as to the amount of the statutory increase of expenditure in the session of 1873. This is very important. Mr. Tilley is reported to have said that, "notwithstanding the additional " charges imposed upon the revenue of the present year. (1873), the surplus

" would reach Seven Hundred Thousand Dollars. The surplus next year he estimated at Nine Hundred and Thirteen Thousand Dollars; but the supplementary estimates and propositions before the House would require One Million Five Hundred and Forty-two Thousand Dollars, which would leave a deficiency of about Six Hundred and Twenty-eight Thousand Dollars. But owing to the surplus in the present year no deficiency would arise." Till it was the state in which Mr. Tilley left the finances of the country. The revenue balanced the expenditure, and he indicated clearly that there would be no deficit. But the moment the new Government came into office they appear to have largely increased the expenditure. In the following year Mr. Cartwright included Two Millions Four Hundred Thousand Two Hundred and Eighty-six Dollars in the schedule "A" of his Supply Bill. That might be called the Supplementary Supply Bill. Whoever was in the habit of looking at Supply Bills would be aware that they consisted of two schedules—"A" and "B," the former consisting of items for the current financial year which had not been voted in the preceding session. A schedule "A" was found in every Supply Bill, but there was no schedule "A" to compare in amount with that of 1874, Mr. Cartwright's first Supply Bill. In 1873 schedule "A" was Seven Hundred and Ninety-two Thousand Eight Hundred and Sixty-four Dollars, but in 1874 it was Two Millions Four Hundred Thousand Two Hundred and Eighty-six Dollars.

Hon. Mr. SCOTT—To make up Mr. Tilley's deficiency.

Hon. Mr. MACPHERSON—Mr. Tilley left no deficiency. Of this Two Millions Four Hundred Thousand Two Hundred and Eighty-six Dollars the sum of Four Hundred and Twenty-five Thousand Dollars was on capital account, so that the items in schedule "A," charged against the revenue, amounted in round numbers to Two Millions. The Government desiring, apparently, and not unnaturally, to proceed with extensive works chargeable to income, wanted additional revenue and a larger surplus. To obtain these the Minister of Finance increased the tariff from fifteen per cent. to seventeen and a half per cent., and in other respects made additions to taxation, which he estimated would add Three Millions of Dollars to the revenue. He may have been sanguine enough to hope that his additions would yield even a larger sum, probably Four Millions of Dollars; at all events he counted upon an increased revenue of Three Millions of Dollars, and upon that basis the Government appear to have pitched their scale of public expenditure. Hon. gentlemen know how disappointing the result had been. The new taxes, instead of coming up to the estimate of Three Millions, yielded only One Million Seven Hundred Thousand Dollars, not enough to meet the expenditure. It was then that the difficulties of the country began. It was then that the deficit commenced, which at the end of the last financial year—30th of June last—amounted to Two Million Dollars, and is still increasing.

The Minister of Finance, in his Budget Speech of 1874, laid the responsibility of the expenditure upon his predecessors, but I do not think the facts warranted his doing so. The expenditure from revenue under the control of an Administration pledged to retrenchment and economy, as the new Government was, and supported by an enormous majority, should have been retrenched. Some of the works might have been stopped, the expenditure upon others reduced, and a deficit avoided. But the Minister of Finance and the Prime Minister thought it best to proceed with the works in progress and also with new works, and so increase the expenditure as to produce the difficulties that now pressed upon the country. While doing this they endeavored to fasten the responsibility of their policy upon their predecessors. The present

Government would have been at a great loss if they had not had predecessors. Everything done which should not have been done, and everything left undone which should have been done, they charged against those predecessors. When I hear the utterances of honorable gentlemen opposite, and read the speeches delivered in another place, I often wonder what would have been the result if those gentlemen had not had predecessors in office, or if they had been in office when Confederation was undertaken.

But I need not speculate on the subject. Confederation, in that case, would never have been carried out. Mr. Cartwright's estimate of the revenue for 1874 was Twenty-five Millions; it yielded only Twenty-four Millions, Six Hundred and Forty-eight Thousand, Seven Hundred and Fifteen Dollars, leaving a deficiency as compared with the estimate—the first since Confederation—of Three Hundred and Fifty One Thousand Dollars. Now, what the Finance Minister should have done—because he could not plead ignorance of the state of the country—was to diminish the expenditure. The expenditure upon a great many works could have been stopped, and the expenditure upon others diminished; and above all, new works should not have been commenced. I propose to show that a great many new and costly works were undertaken by the present Administration which were not thought of by their predecessors in 1873. But before doing so, I will quote from Sir John Rose's Budget Speech in 1869, to show what had been done by the late Administration when they were threatened with a deficit. Sir John Rose said:—

"When the Government found the revenue was falling short, that it did not come up to anticipation, that the receipts of one month after another were below those of the corresponding month of the previous year, they certainly felt that a very serious and difficult task might be entailed upon them; for I believe, if there is any sentiment stronger than another in the minds of the people in this country, as represented not only by supporters of the Government, but by honourable gentlemen on that side, it is that *we shall not permit any deficits to arise*, but if the ordinary revenue falls short of the expenditure, we must manfully look the difficulty in the face, and be prepared, by exceptional taxation, if need be, to supplement the deficiency. We cannot but feel it to be one of our first duties *so to equalize the revenue and expenditure that our credit abroad shall not be injured by its being supposed that we are willing to allow deficiencies to arise*, without being ready to impose upon ourselves a sufficient burden to meet them. * * * The present Government would, however, be very recreant to its duty, if, strong in the majority in this House, and strong, I believe, in the confidence which the country reposes in us, we should permit it to go abroad that we would allow a deficit to arise in any year, without being prepared for that year to submit to the House such further measures of taxation, exceptional and special, if need be, as would enable us to supply the void. I make these remarks in order to show the House what were the considerations which necessarily forced themselves on the attention of the Government, and the conclusion to which they were driven, that any real deficiency must be supplemented by fresh sources of revenue. They believed, indeed, that, no matter who occupied the position, any body of men enjoying the confidence of the people of this country would be prepared to propose such measures, in the belief that they would be sustained by the House and the country. But, while entertaining these views, the Government of course felt it their duty to exhaust every means by which a deficiency could be avoided. They saw month by month that the revenue was falling short, that there had been excessive importations in previous years, and that these were being followed by a corresponding contraction; and they felt it to be their duty, from the

"outset, at all events to try whether by practising the most rigid economy it was not possible to avoid the threatened deficit. The House will remember the votes which were placed at the disposal of the Government last year; and the results which are to be found in the statement I have just placed in the hands of honorable members will show, I think, that wherever it was possible to practise economy, wherever it was possible, without undue damage to the public interest, to forego the performance of a service for which provision had been made in the votes for the year, the Government have endeavoured to do it. We contracted no new obligations—we entered upon no new works—we did exactly as any individual would do who saw that his income was falling short—we took stock, and determined that while the public service should be efficiently performed, *we would not incur any new obligations with respect to public works which might be very much needed and very desirable, but which, at all events, it was not for the interest of the country to undertake at a moment when the actual revenue would not enable us to provide for them.* It will be found by reference to that statement that in every one of the items which were voted to us last year there is a saving in the actual expenditure, as compared with the estimate—except only in the interest on the public debt, which is augmented by reason of our having borrowed half of the Intercolonial loan. On every one of the other items of expenditure there is a saving on the charges of management of the public debt—premium and discount, civil government, administration of justice, police, penitentiaries, legislation, marine hospital and mariners' fund, militia and enrolled force, arts, agriculture and statistics, public works, ocean and river steam service, light-houses and coast service. So, too, with the item of fisheries, miscellaneous, collection of revenue, etc.; and the result is, that by the exercise of economy—by forbearing to undertake new works, by cutting down expenditure wherever we could cut it down—we show a balance in favour of the year's operations of Two Hundred and Seventy Four Thousand, and Thirty-one Dollars. (Hear, hear, and cheers.) Now, Sir, I wish to state that in arriving at this result, while exaggerating nothing, we have concealed nothing. There has been no manipulation of accounts, no postponement of payments."

Sir John Rose saw the danger, and exercised the influence which a gentleman charged with the finances and credit of the country should possess with his colleagues, and the result was, instead of a deficit, a surplus. The course pursued by the present Finance Minister seemed to have been the very opposite. It was surprising that a gentleman with so much force of character as the present Finance Minister should have failed to impress on his colleagues his views and opinions of the depression impending when they succeeded to office. I can only account for it by supposing that the Finance Minister took a more sanguine view of the revenue, after he had increased the taxation, than was justified by the result. No doubt he had a great deal to contend with. His colleagues desired to have handsome amounts placed at the disposal of their departments for expenditure. The Finance Minister had remarked in his Budget speech of 1874:—

"I am aware that some of my honourable friends think this enormous outlay need not be gone on with; but I desire to say that these public works that are in process of construction must be completed in a short time. I see no purpose to be served by 'cocking' our estimates and apparently reducing the amount chargeable this year in order that it may be swollen the next. My honourable friend (the Minister of Public Works) has preferred—and I think he was perfectly right in so doing—to bring down those estimates, to show the obligation placed on him by the action of the late

"Government. * * * I must again repeat that it would be in the last degree unjust to my hon. friend the Minister of Public Works to hold him responsible for this state of things, or to ask him to stop works already commenced, and to put a reduced sum in the estimates; but when the works now engaged in are completed, which I expect will be the case in eighteen months, a considerable saving will be effected in the annual expenditure, though for this a considerable period of time is necessarily required."

Could there be anything more unbusiness-like or absurd? Suppose a private individual entered upon some improvement of his property, under the impression that his income would enable him to complete it, but in a short time he found that his income was falling off, would he be wise to incur a debt to carry out his plans? Could anything be more imprudent? What is the use of a change of Government unless there can be a change of policy, unless to retrench and economise when necessary? Engagements had been entered into by the late Government of a nature which could be suspended at any moment, yet they were proceeded with by the present Government recklessly, without any regard to the fact that the revenue upon which their execution depended was falling short month by month. Mr. Cartwright found the taxation which he had imposed yielded only One Million, Seven Hundred Thousand Dollars, instead of the Three Millions which he had anticipated; but instead of decreasing expenditure he increased it, throwing all the responsibility on the shoulders of the late Administration. The present Government seems to be perfectly helpless. The only reform, or rather financial change, which they gave to the country was to increase taxation and to change surpluses into deficits. From Confederation to the time of the change of Government in 1873, the amount of Eleven Millions One Hundred and Sixty Thousand Eight Hundred and Forty-four Dollars was expended out of surplus revenue in the construction of public works chargeable to capital. An Administration with such a flowing revenue was surely justified in undertaking public works and paying for them out of the revenue; but when the present Finance Minister anticipated a deficit, and stated so in his Budget speech, there was no excuse for continuing to expend money as lavishly as in the years of plenty. The Government has placed this country in an unfortunate position by the course it has pursued. There is a large deficit, and we are now paying the interest of our debt with borrowed money. A more unsound and perilous condition for any country to be placed in it is impossible to conceive. The taxation of the country has been seriously increased, yet the expenditure has been increased in a still greater ratio. In the Budget speech of 1876, Mr. Cartwright was still hopeful, as he had been from his accession to office—but less sanguine, on the whole; the hues are not exactly roseate, but they are still hopeful. Mr. Cartwright began then to excuse the present Government for not having retrenched, as they were pledged to do. He had to acknowledge the existence of a large deficit, but still blamed the late Government. In his Budget speech the Finance Minister estimated the revenue for the current year (1877) at Twenty-three Millions, Two Hundred and Fifty Thousand Dollars, and the expenditure at something less. It is usual, as the House is aware, for the Finance Minister, in his Budget speech, to revise the estimates of the preceding session, but Mr. Cartwright omitted to do this in his speech of February, 1877, though between seven and eight months of the current fiscal year had then elapsed. Parliament was, therefore, left in ignorance of his revised estimate of the revenue and expenditure, of whether in his opinion there was to be a deficit or a surplus at the end of the current financial year. The want of the official revised statement is a serious want, and, in fact, it is impossible to complete comparisons without it. I have obtained statements of the revenue up to the 10th of February, for the years 1876 and 1877. The revenue up to

the 10th of February, 1876, was Twelve Millions, Eight Hundred and Twenty Thousand, Eight Hundred and Seventy-five Dollars, and for the same period of the current year it was only Twelve Millions, Four Hundred and Ninety-four Thousand, Two Hundred and Seventy-nine Dollars, showing a falling off, as compared with the preceding year, of Three Hundred and Twenty-six Thousand, Five Hundred and Twenty-six Dollars. Mr. Cartwright had estimated the revenue from customs for the current year at Thirteen Millions, Five Hundred Thousand Dollars; up to the 10th of February it had only reached Seven Millions, and Eighty-two Thousand, Two Hundred and Twenty-seven Dollars, which was at a rate of about Eleven Millions, Five Hundred Thousand Dollars for the year, instead of Thirteen Millions, Five Hundred Thousand Dollars. It is quite true that the spring importations are coming in, and the duties upon them will increase the average revenue for the remaining months of the financial year very considerably, but whether they will increase it sufficiently to bring it up to Mr. Cartwright's estimate is very doubtful. Notwithstanding all that has been said about retrenchment and economy, the estimates for the ensuing year show an increase over those of the current year. The estimates for the current year—and that was without supplementary elements—amounted to Twenty-three Millions, Thirty-one Thousand, Six Hundred and Ninety-nine Dollars; for next year they amount to Twenty-three Millions, One Hundred and Sixty-seven Thousand, Six Hundred and Eighty-six Dollars—not a large increase, but they are exclusive of supplementary estimates also, which have yet to be brought down, and which I fear will be very considerable. It is, therefore, probable that we shall have to face a deficit for the ensuing year as well as for the current year. I will now turn to another branch of the subject, and show the extent and manner in which the controllable expenditure has been increased since 1873. I would not have gone into this again this session if it had not been for the way in which the Government and its friends treated the subject when I brought it before the Senate early in the session:—

The hon. Senator opposite (Mr. MacMaster) then said “he thought the course followed by the hon. gentleman from Toronto (Mr. Macpherson) was unusual and unfair; that he had taken many members by surprise; and they could have met several points successfully had proper time been given them to prepare for the debate. The comparison instituted between 1873, and 1875, and 1876, was entirely unfair and unreasonable. In the first place the late Government went out of office in November, 1873, and their successors were acting upon their estimates. He did not want it to be understood he was either defending or finding fault with any Government, but he liked to see what was fair. * * With regard to the increased expenditure in the departments, he knew that it was partly due to appointments made by the late Government. He knew large establishments in which parties were appointed who had nothing whatever to do, and if they had to work, were utterly incompetent to do it. * * * With regard to the matters alluded to, if time had been given to go into figures, and make fair comparison, it would not appear so unfavourable to this Government, as the honourable gentleman had sought to make the House believe. He concurred in the opinion that it was absolutely necessary, in the present state of the country, for the Government and everyone to be as economical as possible, but it must be borne in mind the Dominion is pledged to build the Pacific Railway.”

Now, that was a very broad denial of my statement, and the honourable Senator should be in a position to-day to prove what he then said. There has been ample time since then to prepare a reply, if reply be possible.

The honourable Senator, having denied the correctness of my statement, should have taken the earliest opportunity to show wherein it was inaccurate; because, if inaccurate, it should be corrected. It is not desirable that an error in so important a matter should go uncorrected. But my statement contained no error, and no attempt has been made to disprove it. I will show that the denial of its correctness by the honourable Senator was unsupported by facts.

I will now submit a statement of the details of increases of expenditure charged to consolidated revenue fund and largely within the control of the Government of the day, for 1875 and 1876 over 1873, and of 1876 over 1875. In this comparative statement I exclude all items connected with the public debt—interest, management of the debt and sinking fund. I also exclude items that might not be considered fairly within the control of the Administration, such as Militia; and throughout these statements I will compare the last complete year of Sir John Macdonald's Administration, 1873, with Mr. Mackenzie's complete years of 1875 and 1876.

THE FOLLOWING STATEMENT SHOWS THE INCREASES IN EXPENDITURE CHARGED TO CONSOLIDATED REVENUE FUND FOR 1875 AND 1876 OVER 1873, AND FOR 1876 OVER 1875, UNDER THE FOLLOWING HEADS, BEING ITEMS WHICH ARE LARGELY WITHIN THE CONTROL OF THE GOVERNMENT. (PUBLIC DEBT CHARGES NOT INCLUDED)

DEPARTMENTS.	Increase 1875 over 1873.	Increase 1876 over 1875.	Increase 1876 over 1873.
Civil Government	\$148,391	.....	\$ 91,121
Administration of Justice	98,439	\$ 46,686	145,025
Police and Penitentiaries	71,682	.....	4,968
Legislation .....	.....	54,957	12,743
Geological Survey	29,199	3,226	32,425
Arts, Agriculture, etc. ....	.....	47,416	9,488
Immigration and Quarantine	15,402	83,075	98,477
Marine Hospitals	10,871	1,950	12,821
Pensions and Superannuations	38,721	70,874	109,598
Ocean and River Steam Service .....	.....	93,057	90,339
Fisheries and Light-houses	9,881	97,191	75,778
Insurance Co's. etc. ....	.....	8,914	8,032
Subsidies to Provinces	829,362	.....	768,956
Public Works	159,462	191,866	351,328
Miscellaneous	18,229	91,537	109,866
Indian Grants and Manitoba Surveys	131,513	108,639	212,549
Mounted Police (established 1874)	333,583	35,935	369,518
Boundary Surveys (begun 1874)	121,741	12,304	134,105
Customs and Excise	142,457	57,441	199,898
Weights and Measures	69,969	29,816	99,785
Public Works, Including Railways	633,388	.....	548,312
Post Office	452,995	101,966	554,961
Non-Debt Revenues .....	.....	3,111	2,778

Increase of 1875 over 1873.....\$2,960,336

Increase of 1876 over 1875..... 717,062

Increase of 1876 over 1873..... 3,677,398

This statement shows that the expenditure of 1876 exceeded that of 1873 by the large sum of \$3,677,398; that the expenditure of 1875 exceeded that of 1873 by the sum of \$2,960,336, while that of 1876 exceeded that of 1875 by the sum of \$717,062. These net increases are enormous—I say net increases, because all the decreases have been deducted. But I am not going to hold the Government responsible for the full amount of the increase of 1876 over 1873—\$3,677,398—for, as I have already shown, statutory increases of expenditure were made in 1873, and provided for by Mr. Tilley. Mr. Cartwright stated this amount to be about \$1,500,000. The increases fairly chargeable against the present Government are as follows:—

Net increase of annual expenditure (largely within the control of the Administration) in 1876 over 1873.	\$3,677,398
Less expenditure authorized by statute in session of 1873, viz:	
Increased subsidies to Provinces, increased allowance to the Civil Service; item account of expense connected with the admission of Prince Edward Island into the Confederation (\$100,000), and other statutory increases: stated by the present Minister of Finance, in his budget speech of 1874, at about \$1,500,000	\$1,500,000
I will allow for unforeseen increases from 1873 to 1876, inclusive, say	377,398
	1,877,398
Making the increased expenditure upon items largely within the control of the present Administration, in 1876 over 1873	
This sum capitalized at 5 per cent. would give Thirty-six Millions of Dollars.	1,800,000
Increase in 1876 over 1875	717,062
This sum capitalized at 5 per cent. would give Fourteen Millions, Three Hundred and Forty-one Thousand, Two Hundred and Forty Dollars.*	

I am particular in emphasizing the increase of 1876 over 1875, because there can be no question as to which Government is responsible for it. The present Government have a much larger responsibility than they wish to admit for the increased expenditure of the financial year ending 30th June, 1874. I will now call attention to the expenditure on public works in each Province in the same years:—

* Thus the increase by the present Administration in the controllable expenditure between 1876 and 1873 (One Million Eight Hundred Thousand Dollars) is equal to interest at 5 per cent. on Thirty-six Million Dollars; and the annual burden on the people would be no greater, if instead of increasing the expenditure unnecessarily the Government had borrowed Thirty-six Millions of Dollars. Now, a small portion of this sum, if it had been borrowed and judiciously expended, would have done much to promote the prosperity of the country. The very increase of the controllable expenditure of 1875 over 1873—Seven Hundred and Seventeen Thousand and Sixty-two Dollars is the interest at 5 per cent. on Fourteen Millions, Three Hundred and Forty-one Thousand, Two Hundred and Forty Dollars.

PUBLIC WORKS CHARGED TO CONSOLIDATED REVENUE FUND, SHOWING
THE EXPENDITURE IN EACH PROVINCE.

WORKS.	1873.	1875.	1876.
ONTARIO.			
Custom Houses, Post Offices, etc.....	\$103,133	\$204,928	\$259,601
Marine Hospitals, Quarantine and Im- migration Stations.....	2,012	2,464	2,000
Penitentiaries, Barracks, etc.....	.....	.....	58,962
Harbours and Piers.....	209,887	208,486	262,413
Total Ontario.....	\$315,032	\$415,878	\$582,976
QUEBEC.			
Custom Houses, Post Offices.....	\$162,975	\$146,439	\$146,626
Marine Hospitals.....	11,083	16,767	12,695
Penitentiaries, Barracks, etc.....	.....	.....	15,359
Harbours and Piers.....	9,684	10,753	28,373
Total Quebec.....	\$183,742	\$173,959	\$203,053
NEW BRUNSWICK.			
Custom Houses.....	\$28,392	\$83,105	\$ 29,324
Marine Hospitals.....	3,674	1,640	.....
Penitentiaries.....	.....	.....	10,860
Harbours and Piers.....	28,000	56,376	92,609
Total New Brunswick.....	\$60,066	\$141,121	\$132,793
NOVA SCOTIA.			
Custom Houses, etc.....	.....	\$ 3,330	\$ 14,086
Marine Hospitals.....	\$11,429	7,178	8,200
Penitentiaries.....	.....	.....	11,000
Harbours and Piers.....	100,246	123,497	145,965
Total Nova Scotia.....	\$111,675	\$134,005	\$179,251
BRITISH COLUMBIA.			
Custom Houses.....	.....	\$ 22,347	.....
Marine Hospitals.....	6,614	2,978	.....
Penitentiaries.....	.....	1,571	78,114
Total British Columbia.....	\$6,614	\$26,896	\$78,114
MANITOBA.			
Custom House, Post Office.....	\$ 109	\$27,503	\$ 40,092
Immigrant Shed.....	6,742	.....	.....
Penitentiary, Barracks, etc.....	.....	65,072	102,563
Total Manitoba.....	\$6,851	\$92,575	\$142,655

PUBLIC WORKS CHARGED TO CONSOLIDATED REVENUE FUND, SHOWING THE EXPENDITURE IN EACH PROVINCE.—(Continued.)

WORKS.	1873.	1875.	1876.
PRINCE EDWARD ISLAND.			
Harbours and Piers.....		\$5,829	\$25,061
Public Buildings.....			3,574
GENERAL ITEMS.			
Public Buildings, general account.....		\$ 14,773	
Canals, including surveys and inspection.....	\$143,015	25,006	44,343
Improvements of rivers.....	18,140	62,737	40,255
Dredging and Dredge Vessels.....	79,426	195,782	123,100
Telegraphs.....	9,044		4,000
Lighthouse Repairs.....	12,218		
Slides and Booms.....	47,621	20,986	25,428
Roads and Bridges.....	13,651	4,000	
Red River Route.....	210,974	176,659	88,298
Arbitration and Awards.....	9,899	5,258	11,680
Rents, Repairs, and Furniture.....	134,345	188,324	169,127
Ottawa Buildings.....	39,808	58,000	63,500
Sundries.....	195,492	15,287	31,733
Total expenditure on Public Works paid out of Consolidated Fund in 1873.....	\$1,597,613		
Total expenditure on Public Works paid out of Consolidated Fund in 1875.....		\$1,757,075	
Total expenditure on Public Works paid out of Consolidated Fund in 1876.....			\$1,948,941

The following table gives the

EXPENDITURE ON PIERS, HARBOURS AND BREAKWATERS, FOR THE SAME YEARS.

PIERS AND HARBOURS.	1873.	1875.	1876.	Increase 1876 over 1875.	Increase 1876 over 1873.
Ontario.....	\$ 209,887	\$ 208,486	\$ 262,413	\$ 53,927	\$ 52,526
Quebec.....	9,684	10,753	28,373	17,620	18,689
New Brunswick.....	28,000	56,376	92,609	36,233	64,609
Nova Scotia.....	100,246	123,497	145,965	22,468	45,719
Prince Edward Island.....			25,061		
Totals.....	347,817	399,112	554,421		
Increased Expenditure on Piers, Harbours and Breakwaters in 1876 over 1875.....				\$130,248	
Increase in Expenditure on Piers, Harbours and Breakwaters in 1876 over 1873 (excluding P. E. Island).....					\$181,543

This is not the only expenditure under this head, and I am of opinion many works of the kind have been proceeded with for party rather than public considerations. There are three harbours on Lake Huron very near each other—Goderich, Bayfield, and Chantry Island—on which there has been very large expenditure. On Goderich harbour, in 1876, the enormous sum of One Hundred and Twenty-seven Thousand Dollars was expended, and I am told, very unfortunately expended.

Hon. Mr. SCOTT said the contract was given out by the late Administration.

Hon. Mr. MACPHERSON—I do not care what Administration gave it out, the work was under the supervision of the present Government.

Hon. Mr. CAMPBELL—The contractor's name is McEwen, and he is a friend of the present Administration.

Hon. Mr. MACPHERSON—In addition to Goderich, Forty-one Thousand Six Hundred and Twenty-four Dollars was expended last year on Chantry Island, and Eighteen Thousand Nine Hundred and Thirty-eight Dollars on Bayfield, which was only distant about twelve miles from Goderich.

Hon. Mr. SCOTT said Chantry Island as well as Goderich Harbour improvements had been commenced by the late Administration. The contracts were given out the last year they were in office, and the work had been going on ever since.

Hon. Mr. MACPHERSON—It is the expenditure I complain of; and the amount of new expenditures upon works of this class, commenced under the auspices of the present Government, will be seen by the following

STATEMENT OF EXPENDITURE CHARGED TO CONSOLIDATED REVENUE FUND IN 1875 AND 1876, FOR WORKS NOT COMMENCED IN 1874, VIZ:—ON PIERS, HARBOURS, RIVER WORKS, CUSTOM HOUSES, PENITENTIARIES, MARINE HOSPITALS, &c. :—

WORKS.	1875.	1876.
Owen Sound.....	\$ 3,740	\$ 5,500
Bayfield.....	1,917	18,398
Port Stanley.....	31	4,732
Port Hope.....	6,945	14,372
Toronto.....	1,019	2,844
Point du Chene.....	7,351	7,228
Shippegan.....	16	6,312
Tignish.....	2,010	4,557
Souris.....	5,829	.....
Port Albert.....	6,000	.....
Shannonville.....	2,992	.....
Kingston.....	4,407	.....
Pictou.....	6,000	.....
Coteau.....	1,603	.....
Bathurst.....	3,876	.....
Tynemouth.....	2,500	.....
Tracadie.....	6,690	.....
Port Medway.....	4,513	.....
Sissiboo.....	2,500	.....
Plympton.....	1,200	.....
Port Darlington.....	.....	5,000
Port Burwell.....	.....	3,422
Oshawa.....	.....	5,000
Carried forward.....	71,139	77,345

WORKS.	1875.	1876.
Brought forward.....	71,139	77,345
Bagotville.....	..	2,000
Malbie.....	..	8,000
Eboulements, extension of breakwater.....	..	7,500
Rivière Blanche.....	..	873
Baie des Chaleurs.....	..	3,000
Campobello.....	..	600
Jordan Bay.....	5,103	17,465
Trout Cove.....	..	4,000
Margaree.....	..	3,000
Harbourville.....	..	2,000
Broad Cove.....	..	3,000
Margaretville.....	..	5,000
Oyster Pond.....	..	2,000
Michaud and Mark Points.....	..	97
Cranberry Head.....	..	2,000
Church Point.....	..	2,000
Saulierville.....	..	2,000
New London.....	..	503
Coville Bay.....	..	20,000
St. John, N.B., Custom House.....	3,217	2,081
Montreal.....	3,426	..
Montreal Examining Warehouse.....	203	..
Chatham and Newcastle Custom House.....	1,393	..
London Post Office.....	3,500	..
Lifting barge, for removing chains, &c.....	25,000	..
Work Napanee River.....	..	12,211
Work Detroit River.....	..	1,346
Increase of General Work on River Im- provements over 1874.....	40,811	18,329
Toronto Immigration Station.....	475	..
Quebec Marine Hospital.....	6,008	..
Yarmouth ".....	6,180	152
Sydney ".....	157	6,998
St. Catharines ".....	..	2,000
Levis ".....	..	2,003
Souris ".....	..	3,574
Quebec Observatory.....	1,798	..
Military School, Kingston.....	..	55,659
Fortifications, Kingston.....	..	3,303
" Levis.....	..	15,357
Penitentiary, Kingston.....	..	3,213
" Maritime Provinces.....	..	21,860
" Manitoba.....	..	60,597
" British Columbia.....	..	78,114
St. Vincent de Paul Penitentiary.....	..	4,076
Totals.....	\$168,413	\$453,256
Add 1875 to 1876.....	..	168,413
Gross amount expended in 1875 and 1876, on works not commenced in 1874 ..	..	\$621,669

There can be no question as to which Government is responsible for this expenditure. The present Government is wholly responsible for it, and it was incurred in disregard of their pledges to retrench.

The following shows the

EXPENDITURE—CHARGED TO CONSOLIDATED REVENUE FUND—FOR HARBOURS, PIERS, BREAKWATERS, CANAL WORKS, RIVER IMPROVEMENTS, SLIDES AND BOOMS, BRIDGES, HOSPITALS, BUILDINGS, ETC., IN 1874, 1875, AND 1876, WHICH WERE NOT COMMENCED IN 1873:—

WORKS.	1874.	1875.	1876.
Napanee.....	\$ 4,999	\$.....	\$.....
Belleville.....	10,000	.....	.....
Meaford.....	4,396	.....	.....
Inverhuron.....	1,000	.....	.....
Port Greville.....	6,000	.....	.....
Breakwater Joggings.....	10,000	.....	.....
Gaberoys Bay.....	2,000	.....	.....
Ports George and Williams.....	3,500	5,000	.....
Salmon River.....	5,000	.....	.....
Chedabucto.....	5,000	.....	.....
Green Cove.....	2,500	.....	.....
Pictou Island.....	2,000	.....	.....
Digby Pier.....	2,500	.....	.....
Big Pond, Cape Breton.....	2,000	.....	.....
Morden Pier.....	5,000	.....	.....
Wilson Beach.....	1,000	.....	.....
Dipper Harbour.....	10,000	.....	.....
St. John, New Brunswick.....	3,500	.....	.....
Hillsboro Pier.....	1,500	.....	.....
Tracadie.....	.....	6,690	.....
Big Tracadie.....	6,000	.....	.....
Port Albert.....	.....	6,000	.....
Tynemouth.....	.....	2,500	.....
Port Stanley.....	.....	31	4,732
Collingwood.....	28,932	267	.....
Shannonville.....	.....	2,992	.....
Pictou Harbour.....	.....	6,000	.....
Plympton.....	.....	1,200	.....
Bathurst.....	.....	3,876	.....
Sissiboo River.....	.....	2,500	.....
Sackville.....	.....	500	.....
Port Medway.....	.....	4,513	.....
Souris, Prince Edward Island.....	.....	5,829	.....
Cobourg.....	203	15,861	23,403
Saguenay.....	6,000	.....	2,000
Baie St. Paul.....	122	.....	8,000
Cow Bay.....	10,000	25,000	46,458
Owen Sound.....	.....	3,740	5,500
Bayfield.....	.....	1,917	18,398
Port Hope.....	.....	6,945	14,372
Carried forward.....	\$133,152	\$101,361	\$122,863

WORKS.	1874.	1875.	1876.
Brought forward.....	133,152	101,361	122,863
Jordan Bay.....		5,103	17,465
Shippegan.....		16	6,312
Port Burwell.....			3,422
Port Darlington.....			5,000
Toronto Harbour.....		1,019	2,824
Oshawa.....			5,000
Malbaie Pier.....			8,000
Eboulements Extensions of Breakwater.....			7,500
Riviere Blanche.....			873
Point du Chene.....		7,354	7,228
Campobello.....			600
Baie des Chaleurs.....			3,000
Margaree.....			3,000
Bagotville.....			2,000
Harbourville.....			2,000
Trout Cove.....			4,000
Broad Cove.....			3,000
Margaretville.....			5,000
Oyster Pond.....			2,000
Cranberry Head.....			2,000
Michaud and Mark Points.....			97
Church Point.....			2,000
Tignish.....		2,010	4,557
Saulierville.....			2,000
Colville Bay.....			20,000
New London.....			503
Canal Basin, Ottawa.....	4,443		
Lock, Culbute Rapids.....	38,388		
River St. John improvements.....	7,480		
River Detroit.....		200	1,346
Richelieu River.....		21,119	
Fraser River.....		5,739	
Napanee River.....			12,211
Bridge, Fort Garry.....	2,967		
Bridge, Portage du Fort.....	3,547		
Fenelon River.....	3,090		
Gatineau River.....	28,716		
Newcastle Dist. Works.....	1,000		
Petewawa River.....	7,713		
Telegraph Cable, British Columbia.....		9,044	
Hamilton Post Office.....	9,295		
Montreal Custom House.....		3,426	
Three Rivers.....	2,552		
St. John, New Brunswick.....		3,217	2,081
Miscellaneous, Prince Edward Island..	69,000		
Military School, Kingston.....			55,659
Observatory, Quebec.....		1,798	
Carried forward.....	309,343	161,406	313,541

NAMES OF WORKS.	1874.	1875.	1876.
Brought forward.....	309,343	161,406	313,541
Marine Hospital, New Brunswick.....	7,765	.....	.....
“ Quebec.....	.....	6,008	.....
“ Yarmouth.....	.....	6,180	.....
“ Sydney.....	.....	157	6,995
“ St. Catharines.....	.....	.....	2,000
“ Levis.....	.....	.....	2,003
“ Souris.....	.....	.....	3,574
Toronto Immigration Station.....	.....	475	.....
Penitentiary, British Columbia.....	136	.....	78,114
“ Maritime Provinces.....	.....	.....	21,860
“ Manitoba.....	.....	.....	60,597
“ St. Vincent du Paul.....	.....	.....	4,076
“ Kingston.....	.....	.....	3,213
Government House, Fort Garry.....	8,308	.....	.....
Barracks, Battle River.....	.....	.....	8,000
“ Fort Pelly.....	.....	29,320	33,966
Fortifications, Kingston.....	.....	.....	3,300
“ Levis.....	.....	.....	15,357
Total amount expended in 1874 upon works not commenced in 1873.....	\$327,552	.....	.....
Total amount expended in 1875 upon works not commenced in 1873.....	.....	\$203,546	.....
Total amount expended in 1876 upon works not commenced in 1873.....	.....	.....	\$556,596

The present Government is of course alone responsible for the expenditure upon works commenced in 1875 and 1876, as well as for that upon some of the works commenced in 1874.

I now come to an important and interesting statement—“Public Works, Charges on Revenue,” being chiefly for maintenance of the works, for the same years, namely, canals and improvements of Rivers, Railways, etc. In the case of the canals I have separated the salaries of the staff from the charge for labor for maintaining the works. It will be seen that the increase of expenditure in this direction has been large, but I will not trespass upon the patience of the Senate by dwelling upon it. The statement is as follows:—

EXPENDITURE UPON PUBLIC WORKS, CHARGES ON REVENUE, IN 1873,
1875, AND 1876, VIZ., ON CANALS, IMPROVEMENTS OF RIVERS, RAIL-
WAYS, &C. :

WORKS.	1873.		1875.		1876.	
	Salaries.	Labour.	Salaries.	Labour.	Salaries.	Labour.
	\$	\$	\$	\$	\$	\$
Welland Canal.....	52,035	66,552	58,803	88,540	64,243	81,376
Lachine Canal.....	32,453	34,301	37,898	30,057	43,010	29,104
Beauharnois.....	13,106	9,880	15,401	12,153	15,600	17,171
Cornwall.....	13,946	12,468	14,219	7,098	14,262	6,424
Williamsburg.....	7,600	7,347	7,722	4,101	8,595	11,690
Burlington Bay.....	310	.....	669	.....	300	1,190
Chambly.....	12,810	11,790	14,559	16,308	12,946	13,273
Ottawa and Rideau.....	24,300	26,075	28,782	19,700	28,520	14,428
Carillon and Grenville.....	10,967	8,781	11,424	18,521	12,258	11,477
St. Anne's Lock.....	3,117	1,261	2,754	4,506	2,879	4,034
St. Our's Lock.....	2,620	1,575	1,885	1,245	1,926	1,601
St. Peter's Canal.....	343	6,539	560	889	641	.....
Miscellaneous.....	1,657	5,273	.....	.....	.....	.....
Ottawa River Works.....	14,654	18,394	22,770	59,117	20,104	33,340
St. Maurice Works.....	16,356	7,092	17,651	9,237	18,251	4,490
Saguenay Works.....	684	541	863	1,442	1,116	4,025
Newcastle District Works.....	1,272	4,811	2,250	2,716	2,360	2,302
Sundries.....	.....	440	.....	1,090	.....	2,185
Inspection of Canals.....	.....	.....	1,649	.....	1,596	.....
Piers below Quebec.....	.....	947	.....	1,339	.....	18,871
Agent and Contingencies B. C.....	.....	.....	.....	.....	2,345	161
TOTALS.....	208,230	224,073	239,859	278,059	250,952	257,142

RECAPITULATION.

ITEMS.	1873.	1875.	1876.
	\$	\$	\$
Total Salaries.....	208,230	239,859	250,952
Total Labour.....	224,073	278,059	257,142
	432,303	517,918	508,094
Railways and Telegraphs.....	1,063,882	1,621,654	1,536,403
Total Expenditures on Canals, Rivers, Railways, &c., charges on Revenue in 1873.....	\$1,496,185		
Total Expenditures on Canals, Rivers, Railways, &c., charges on Revenue in 1875.....		\$2,139,573	
Total Expenditures on Canals, Rivers, Railways, &c., charges on Revenue in 1876.....			\$2,044,497

I now come to the details of expenditure on Civil Government. I have separated salaries from contingencies, and the table is as follows :

DETAILS OF EXPENDITURE ON ACCOUNT OF CIVIL GOVERNMENT.

DEPARTMENTS.	1873.		1875.		1876.	
	Salaries.	Contingencies.	Salaries.	Contingencies.	Salaries.	Contingencies.
	\$	\$	\$	\$	\$	\$
Gov.-General and Lt.-Governors.	99,444	.....	110,494	.....	112,665	.....
Secretary's Office	8,240	8,140	11,345	11,075	10,971	15,822
Privy Council	15,876	5,033	22,650	5,496	20,732	4,554
Department of Justice	17,367	9,470	21,844	10,852	22,983	4,996
Militia and Defence	37,475	5,764	43,545	11,971	44,071	5,971
Secretary of State	37,074	9,394	34,493	12,743	38,702	7,650
Minister of Interior	23,382	3,072	49,344	10,345	48,063	6,138
Receiver-General	24,318	3,224	28,839	5,644	28,445	3,669
Inland Revenue	24,778	9,451	30,191	8,715	31,565	5,907
Minister of Finance	52,382	9,226	56,304	16,611	54,199	14,398
Treasury Board	3,257	313	3,500	706	4,159	709
Customs	32,267	26,811	36,137	19,375	35,743	17,234
Public Works	46,624	13,192	60,526	17,453	56,940	11,320
Public Works Office, B. C.	5,589	.....	2,576	.....	.....	.....
Post Office	74,643	38,850	88,936	40,872	92,460	31,820
Department of Agriculture	31,340	12,723	37,674	11,59	35,655	13,500
Marine and Fisheries	25,336	10,048	31,326	11,559	32,789	11,911
Sundry Departments .....	.....	11,998	.....	17,851	.....	16,003
Agencies .....	.....	.....	15,442	.....	.....	.....
TOTALS	559,392	176,709	685,166	212,327	670,142	171,602

RECAPITULATION.

ITEMS.	1873.	1875.	1876.
	\$	\$	\$
Total Salaries	559,392	685,166	670,142
Total Contingencies	176,709	212,327	171,602
Land Office, Manitoba	3,973	11,098	.....
Dominion Office, N.S.	3,269	.....	.....
Dominion Office, N.B.	4,693	.....	.....
Stationery and Sundries	2,838	47	251
Civil Service .....	.....	627	.....
Total Expenditure on account of Civil Government in 1873	\$750,874	.....	.....
Total Expenditure on account of Civil Government in 1875 .....	.....	\$909,265	.....
Total Expenditure on account of Civil Government in 1876 .....	.....	.....	\$841,995

I have also dissected the contingencies; separating the charge for extra clerks from the other items. It has been stated very positively by the honourable Senator from Toronto (Mr. McMaster) that the public offices were filled by supernumeraries appointed by the late Government just before their

retirement from office; and a similar statement was made by the honourable Senator from Hamilton (Mr. Hope), when the subject was before the House a few weeks ago. It has been made and constantly repeated by the Government and their supporters for years. The Prime Minister himself even has made the same statement, adding that many of the appointments made by the late Administration just before retiring from office had been cancelled by the new Government. If appointments had been improperly made I would not defend them. I presume no officials but those for whom there was work were retained by the new Government. No doubt employment was found for them very soon; but if it be true that many supernumeraries were appointed by the late Government, and remained unemployed, how is it that so many extra clerks were required in the departments? It is impossible to believe that, even extravagant as the present Government is, it would have employed extra clerks while supernumeraries remained idle about the departments. The following statement is a complete refutation of this charge against the late Administration:—

DEPARTMENTAL CONTINGENCIES AT OTTAWA, WITH AMOUNT PAID TO EXTRA CLERKS, (WHICH ITEMS FORM PART OF TOTAL CONTINGENCIES.)

DEPARTMENT.	1873.		1875.		1876.	
	Total Contingencies.	Extra Clerks.	Total Contingencies.	Extra Clerks.	Total Contingencies.	Extra Clerks.
Secretary's Office	\$ 8,140	\$ 991	\$ 11,075	\$ 1,856	\$ 15,822	\$ 2,673
Privy Council	5,033	.....	5,496	.....	4,554	.....
Justice	9,470	.....	10,352	1,100	4,996	325
Militia and Defence	5,764	956	11,971	1,900	5,971	932
Secretary of State, including Queen's Printer in 1875	9,394	.....	12,743	.....	7,650	.....
Interior	3,672	.....	10,345	720	6,138	2,162
Receiver-General	3,224	.....	5,644	1,370	3,669	9
Inland Revenue	9,451	2,142	8,715	3,400	5,907	1,820
Finance	9,226	1,209	16,611	5,838	14,398	8,287
Treasury Board	313	.....	706	.....	709	.....
Customs	26,811	311	19,375	1,697	17,234	1,433
Public Works	13,192	2,414	17,453	3,541	11,320	1,578
Post Office	38,850	77	40,872	14,183	31,820	6,890
Agriculture	12,723	551	11,059	2,717	13,500	3,785
Marine and Fisheries	10,048	453	11,559	499	11,911	1,757
Sundry Departments	11,998	.....	17,851	.....	16,603	.....
Departmental Totals	176,709	13,704	212,327	38,822	171,802	31,651
Contingencies of House of Commons	104,006	.....	80,000	.....	130,000	.....
Total Departmental Contingencies at Ottawa, '73	280,717	.....	.....	.....	.....	.....
Total Departmental Contingencies at Ottawa, '75 . . . . .	.....	.....	302,327	.....	.....	.....
Total Departmental Contingencies at Ottawa, '76 . . . . .	.....	.....	.....	.....	301,802	.....

The payments to extra clerks in 1875 were all but three times as much as in 1873, and nearly two-and-one-half times as much in 1876 as in 1873. It has been alleged throughout the length and breadth of the land that the increased expenditure in the departments was due to the supernumeraries appointed by the late Government before they retired; but the foregoing statement tells a different tale, and fastens the responsibility of the increase upon the present Administration.

The next statement I submit is upon a subject which I, as a layman, feel some delicacy in criticizing—the Administration of Justice. I must, however, call attention to it, for the increased expenditure under this head is enormous:—

DETAILS OF EXPENDITURE—ADMINISTRATION OF JUSTICE.

ITEMS.	1873.	1875.	1876.
ONTARIO.			
Court of Error and Appeal.....	\$ 2,166	\$ 20,999	\$ 20,999
“ Queen’s Bench	14,500	15,999	15,999
“ Chancery	14,108	15,999	15,999
“ Common Pleas.....	14,500	15,999	15,999
County Judges.....	104,521	117,877	117,896
Circuit allowances.....	11,900	11,800	11,600
Total Ontario.....	161,696	198,676	198,496
QUEBEC.			
Court of Queen’s Bench.....	24,152	25,999	25,998
Superior Court.....	78,774	112,743	113,201
Court of Vice-Admiralty.....	3,031	3,031	3,036
Circuit allowances.....	13,826	11,632	9,210
Total Quebec.....	119,784	153,406	151,445
Total Nova Scotia.....	32,500	32,449	34,099
“ New Brunswick	33,649	36,699	36,788
“ Manitoba and North-West.....	6,350	13,949	16,884
“ British Columbia.....	37,318	42,991	40,527
“ Miscellaneous.....	7,666	4,154	14,991
“ Prince Edward Island.....	.....	15,077	15,199
“ Supreme Court.....	.....	.....	35,657
Total expenditure on Administration of Justice, 1873.....	\$398,966		
Total expenditure on Administration of Justice, 1875.....		\$497,405	
Total expenditure on Administration of Justice, 1876.....			\$544,091

The Court of Error and Appeal for Ontario down to 1875 was composed of the nine judges of the Superior Courts of the Province, and was presided over by a retired Chief Judge, whose pension was three-fifths of his former salary; and the sum paid him as Chief Justice in Appeal—Two Thousand

Dollars—made up his salary to what it had been before he retired from the Chief Justiceship of one of the Superior Courts. This was the condition of affairs down to 1875, and the cost of the Court to the country was only Two Thousand One Hundred and Sixty-six Dollars a year. Hon. gentlemen who are not aware of the facts may imagine that this Court of Appeal did its work inefficiently and unsatisfactorily. But the truth is the very reverse of this. So satisfied were suitors, as a rule, that but few of its decisions were appealed from to the Judicial Committee of the Privy Council, and no one of its judgments has ever been reversed. The Judiciary of Ontario occupies a proud pre-eminence among the Judiciaries of the Colonies of the British Empire: no one of the judgments of the Court of Appeal of that Province has been reversed.

HON. MR. SCOTT said the Court of Error and Appeal was constituted under a statute of the Ontario Legislature.

HON. MR. MACPHERSON—I am quite aware of that, but Ontario did not not appoint the judges or assign the salaries. I do not believe the Minister of Justice would attempt to evade any of his responsibility in this matter.

HON. MR. SCOTT—We could not have controlled it in the slightest degree.

HON. MR. MACPHERSON—I am aware the present Minister of Justice was not in office when the Court was constituted and the judges were appointed; but will the Secretary of State say that Court was constituted without the express sanction of Mr. Blake?

HON. MR. SCOTT said on the same principle the Minister of Justice would be held responsible for the appointment of additional judges in Quebec the following year, and for the appointment of County Court Judges in Nova Scotia.

HON. MR. MACPHERSON—There is no analogy between the cases. The Minister of Justice does not possess the same influence in Quebec or Nova Scotia that he does in Ontario. He is not the leading member of the Bars of those Provinces as he is of the Bar of Ontario. No Legislature of Ontario would have ventured to constitute a Court for that Province without the express sanction of the present Minister of Justice; and no judges would have been appointed without his being consulted. One of the charges against the late Hon. Sandfield Macdonald's Government in Ontario was, that it held too intimate relations with the Dominion Government of that day. I am not aware that any fact has ever been brought to light to prove that those relations were prejudicial to the public interest. Can as much be said for the present Government of Ontario and the Mackenzie Administration? The cost of Sir John Macdonald's Court of Appeal for Ontario was Two Thousand One Hundred and Sixty-six Dollars a year; the cost of the new Court is Twenty-One Thousand Dollars a year, and this does not by any means represent the enormous increase in the cost of litigation, caused by the changes.* When the Government of the day intended to create a Supreme Court for the Dominion, at a cost of Thirty-Five Thousand Six Hundred and Fifty-Seven Dollars, they should not, I submit, have created a Court of Appeal for Ontario, but should have appointed additional judges, if necessary, in the existing Courts. I believe there never was such an opening for law reformers in Ontario as at present. In saying this, I do not wish to detract in any way from the Minister of Justice, who stands at the head of his pro-

* The changes in the system of judicature, effected by the present Government of Ontario and of the Dominion, promoting, as they do, appeal after appeal from Court to Court up to the Supreme Court at Ottawa, have increased enormously the cost of the Administration of Justice to litigants as well as to the public.

fession, and is a great lawyer; but history tells us that all great lawyers have not been successful law reformers. I now come to the expenditure in the Customs Department:—

CUSTOMS—DETAILS OF EXPENDITURE FOR 1873, 1875 AND 1876.

PROVINCES.	1873.	1875	1876
Ontario.....	\$183,505	\$217,051	\$226,874
Quebec.....	176,985	196,592	211,285
New Brunswick.....	73,353	94,716	93,457
Nova Scotia.....	93,970	100,712	105,098
Manitoba.....	8,352	12,039	12,989
British Columbia.....	24,477	19,056	23,323
Prince Edward Island.....		22,727	25,548
Total Expenditure for 1873.....	\$567,675		
Total Expenditure for 1875.....		\$682,673	
Total Expenditure for 1876.....			\$721,008

It will be observed that while the revenue from Customs has very greatly decreased, the cost of collecting it has steadily increased. The cost of collecting this branch of the revenue in 1876 was Thirty-eight Thousand Three Hundred and Thirty-five Dollars more than 1875, while the revenue for the same period fell off Two Million Five Hundred and Twenty-Seven Thousand One Hundred and Seventy-four Dollars. The present Government is of course alone responsible for the expenditure of last year, and I should like to hear a reasonable explanation of the increased cost of collecting the Customs revenue.

I will take the Excise Department next. Under the circumstances it is extraordinary. In it the expenditure has been as follows:—

EXCISE—DETAILS OF EXPENDITURE FOR 1873, 1875 AND 1876.

ITEMS.	1873.	1875.	1876.
ONTARIO.			
Salaries.....	\$76,791	\$94,066	\$92,119
Contingencies.....	12,005	16,891	24,030
Total Ontario.....	88,796	110,957	116,149
QUEBEC.			
Salaries.....	25,299	30,968	31,349
Contingencies.....	4,752	6,651	7,901
Total Quebec.....	30,051	37,619	39,250

ITEMS—(Continued).	1873.	1875.	1876.
NOVA SCOTIA.			
Salaries	6,203	7,900	7,275
Contingencies	535	2,724	3,455
Total Nova Scotia	6,738	10,624	10,730
NEW BRUNSWICK.			
Salaries	5,139	7,150	6,885
Contingencies	871	1,399	1,380
Total New Brunswick	6,010	8,549	8,265
Total Salaries	113,432	140,084	137,628
Total Contingencies	18,163	27,665	36,766
Manitoba	1,924	3,998	4,253
British Columbia	1,285	5,318	6,208
Prince Edward Island		3,056	3,829
General Expenses	36,900	19,132	29,675
Total Expenditure for 1873	\$171,704		
Total Expenditure for 1875		\$199,253	
Total Expenditure for 1876			\$218,359

It will be seen that the expenditure in this department has largely increased since 1873; the contingencies have actually more than doubled. It is incredible that the necessities of the service called for so large an increase in expenditure.

I now come to the Department of Immigration and Quarantine. I believe no money has been spent by this Government from which the country has got a smaller return. I hope the Minister at the head of that Department will tell the House why it is so.

The following letter, from the then Agent-General of Canada, published in the London *Times* of 12th July, 1875, when the Premier was in England, must have checked emigration to Canada:

"EMIGRATION TO CANADA.

"To the Editor of the *Times*:

"SIR,—Will you permit me to make, through the columns of the *Times*, an intimation which may serve to prevent a great deal of disappointment and trouble? The advices which I have from Canada, both privately and in the press, as well as from gentlemen who have lately arrived from there, show that in the present state of commerce and trade in the Dominion, and especially at so late a period of the emigration season, it is not advisable to encourage the emigration from this country of artisans, mechanics, clerks, and general labourers to Canada. These persons, arriving in the middle of July or in the beginning of August, will find a depressed state of trade and a lack of general employment; and unless they have extraordinary energy and self-reliance, or sufficient means to sustain themselves for a considerable time, they may find themselves forced to face a Canadian winter with no prospect of employment. To encourage emigration of such persons, in such circumstances, would be almost criminal, and equally disastrous to the emigrants themselves and to the interests of Canada. I am, however, advised that there

" is still one interest which continues to flourish, and that there is still a healthy demand for agricultural labourers. I do not, therefore, desire to discourage the emigration of these classes, provided that they do not take out with them large families. But still I deem it advisable to announce that the Canadian Government will not press during the approaching autumn for a large exodus even of these classes. For female domestic servants there is always a demand, at good wages in Canada, and it would be safe for them to go at any time. I am assured that in a few months the unsatisfactory condition of the labour market in Canada will have been greatly altered, and I hope soon, in view of the public works which are projected, and the increasing prosperity of the Dominion, to be able again to recommend to English labourers of all classes the selection of Canada as their home. In the meantime, the efforts of the Canadian agents will be devoted, during the autumn and winter, to preparation for a large emigration in the spring, and I shall cause registers to be opened by the Government agents in all parts of the country, to which laborers of all kinds may send their names, descriptions and copies of testimonials, which will be forwarded to the Government agents in Canada, with a view to enabling them to transmit to this office any offers that may be made by the local employers to secure the services of such persons. The details of this arrangement, however, will be otherwise announced.

" I am, sir, your obedient servant,

" EDWARD JENKINS,

" Canada Government Buildings,
" Westminster, July 9."

" Agent-General.

In the face of such a circular as that, how could we expect immigration to flow into this country? Could anything be more ill-advised, or exhibit greater ignorance of the field which Canada offers to immigrants? This country is specially adapted for workingmen with large families. It will cost the country a large sum to restore the stream of immigration diverted by this unwise advertisement. It gives to the Immigration Agents of other countries a strong argument against Canada. The following statement shows the expenditure of the Department, and the cost of the immigrant *per capita* :—

DETAILS OF IMMIGRATION AND QUARANTINE FOR 1873, 1875, AND 1876.

ITEMS.	1873.	1875.	1876.
Total expenditure	\$277,368	\$302,770	\$385,845
Quarantine items	11,871	13,768	12,233
Total in 1876 on account of Mennonites:			
Transport			38,761
Loan			57,670
			\$96,431
Total number of Immigrants by the St. Lawrence route for 1873	36,901		
Total number of Immigrants by the St. Lawrence route for 1875		16,038	
Total number of Immigrants by the St. Lawrence route for 1876			10,901
Cost per head in 1873	\$7 76		
Cost per head in 1875		\$18 90	
Cost per head in 1876			* \$26 55

*This is based on expenditure, less the amount paid to the Mennonites. Adding cost of transport of Mennonites, but excluding the loan, the cost *per head* of all immigrants for 1876 was Thirty Dollars and Ten Cents.

In this statement I have not included the immigrants who entered Canada by the Suspension Bridge—who were people passing through from New York to the Western States, or who came to reside temporarily in Canada, and whose effects were admitted duty free when they described themselves as settlers.

The appointment of Mr. Jenkins as Agent-General was an unfortunate step. The immigration now is almost nominal, while the expenditure continues enormous; and why this is allowed I hope the Minister of Agriculture will be able to explain. Not only have large sums been paid to promote immigration, but a large amount has also been paid for emigration, or what is called euphoniously "repatriation." When repatriation was first spoken of in this country, I understood it to mean encouragement which was to be offered to French Canadians who had left Canada for the United States, under a misapprehension, and who desired to return and settle in their own country, but had not the means. But if there was a willingness to do this, I did not suppose that Canada was going to assist people to return to Europe. The expenditure was voted by Parliament for the purpose of bringing people into the country, and not for sending them out of it, but I find in the public accounts that the sum of Five Thousand Four Hundred and Sixty-Four Dollars and Forty-nine Cents has been expended in aiding foreigners to return to their native land. I consider such expenditure most unwarrantable, because there are ample opportunities afforded to industrious people to make a comfortable living for themselves and their families in this country. The expenditure was unwise, and was a misapplication of the money of the tax-payers of this country. The next matter of detail to which I will call attention is the expenditure under the Weights and Measures Act. This measure was passed by the late Government, and the then Finance Minister, Sir Francis Hincks, estimated the expenditure at Fifty Thousand Dollars; but it has cost Ninety Thousand or One Hundred Thousand Dollars a year since it was put in operation.

Hon. Mr. SCOTT—The fees are not credited in that account; they are paid into the Consolidated Fund.

Hon. Mr. MACPHERSON—The present Government was premature in putting this Act into operation. There was nothing in the Act requiring that it should go into operation until the country was prepared for it. It required the proclamation of the Governor-General to put it into operation, and that proclamation must have been issued upon the advice of the present Government. I think the Government will find it a difficult matter to justify this expenditure. The truth is that wherever it could be done, or under whatever Act it was possible to dispense patronage, it was dispensed, and every plausible excuse was advanced to justify and excuse it. The consequence is the enormous increase in the public expenditures under the auspices of the present Government, to which I am now calling attention.

Hon. Mr. SCOTT—There were certain limitations in the Act as to the kind of weights and measures to be enforced after 1874.

Hon. Mr. MACPHERSON—It was not obligatory on the Government to enforce the new Act until the circumstances of the country rendered it desirable.

The next statement which I propose to submit will be interesting in itself rather than reflecting upon any Government. It is a comparative statement of the public debt and the interest thereon since 1873:

COMPARATIVE STATEMENT, PUBLIC DEBT AND INTEREST.

PUBLIC DEBT.	TOTALS.	Increases.	INTEREST ON DEBT.	TOTALS.	Increases.
	\$	\$		\$	\$
Total debt, 1873...	129,743,432		Total interest, 1873.	5,549,374	
Increase, '73 to '74.....		11,420,119	Increase, '73 to '74.....		573,470
Total debt, 1874...	141,163,551		Total interest, 1874.	6,122,844	
Increase, '74 to '75.....		10,499,850	Increase, '74 to '75.....		217,212
Total debt, 1875....	151,663,401		Total interest, 1875.	6,340,056	
Increase, '75 to '76.....		9,541,286	Increase, '75 to '76.....		413,115
Total debt, 1876...	161,204,687		Total interest, 1876.	6,753,171	
Total increase of debt in 1874, 1875, and 1876		31,471,255			
Total increase of interest in 1874, 1875, and 1876.....					1,203,797

Hon. gentlemen know that interest is charged against the Consolidated Fund; and since the 30th of June, 1873, the increased amount of interest charged to that fund has been One Million Two Hundred and Three Thousand Seven Hundred and Ninety-seven Dollars—not the annual increase, but the total increase of interest during those three years. Hon. gentlemen will here find a confirmation of what I have stated—that the burthens of the people are not being lightened, but grievously increased. My next statement will show the annual expenditure on account of the public debt since 1873:—

ANNUAL EXPENDITURES ON ACCOUNT OF PUBLIC DEBT COMPARED SINCE 1873

	1873.	1874.	1875.	1876.
	\$	\$	\$	\$
Interest.....	5,209,205	5,724,436	6,590,790	6,400,902
Management and Exchange	178,644	264,683	227,200	208,147
Sinking Fund	407,826	513,920	555,773	822,953
Total Expenditure on account of Public Debt in 1873	\$5,795,675			
Total Expenditure on account of Public Debt in 1874		\$6,503,039		
Total Expenditure on account of Public Debt in 1875			\$7,373,763	
Total Expenditure on account of Public debt in 1876.....				\$7,432,002

Hon. Mr. WILMOT—I should like to know whether the amount paid into the Sinking Fund is an asset?

Hon. Mr. MACPHERSON—It is an asset in a certain sense, but can

not be used. It is so much paid in and accumulating to pay the debt. It is chargeable against income. The interest, Sinking Fund and other charges amounted to Seven Million Four Hundred and Thirty-two Thousand and Two Dollars for the year ending the 30th of June last, being an increase of One Million Six Hundred and Thirty-six Thousand Three Hundred and Twenty-seven Dollars over 1873.

Hon. Mr. SCOTT—Chargeable to this Government?

Hon. Mr. MACPHERSON—The loans were negotiated and the expenditure made under this Government. I do not intend this statement as a reflection on any Government, though the expenditure has been incurred by the present Administration. My object in submitting the statement is to call the attention of Parliament and of the country to the enormous rate at which the burthens of the people are being increased. I do so in the hope that the Government, Parliament and the people will see that they will have to be prudent, and that they should hesitate before they expend Twenty Million Dollars between Lake Superior and Red River, which would increase the annual taxation, for interest alone, One Million Dollars, to say nothing of the enormous annual loss that would result from working the railway.

INCREASE OF ANNUAL EXPENDITURE ON ACCOUNT OF PUBLIC DEBT SINCE 1873

	Increase in 1874.	Increase in 1875.	Increase in 1876.	Increase 1876 over 1873.
Interest paid on Public Debt....	\$515,231	\$866,354	decrease 189,888	\$1,191,697
Management and Exchange....	86,039	decrease 37,433	decrease 19,053	29,503
Sinking Fund.....	106,094	41,853	267,180	415,127
Total increases	\$707,364	\$908,207	\$267,180	\$1,636,327
Less for decreases		37,483	208,941	
Net increase in 1874.....	\$707,364			
Net increase in 1875		\$870,724		
Net increase in 1876			\$58,239	
Net increase of 1876 over 1873				\$1,636,327

I ask the hon. gentlemen opposite if this increase in the annual burthens in connection with the public debt is not a serious matter? I look upon it with alarm when I consider the unprofitable and useless objects for which this capital is being expended.

Hon. Mr. WILMOT—Hear, hear.

Hon. Mr. MACPHERSON—I will submit a comparative statement of expenditure charged to capital account in the years 1873, 1874, 1875 and 1876; also a comparative statement of Revenue and Expenditure since Confederation, showing the surplus or deficit for each year, and a statement of Capital Expenditure for the same period. These statements are interesting in themselves :—

PUBLIC EXPENDITURE.

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ITEMS OF EXPENDITURE CHARGED TO CAPITAL IN PUBLIC ACCOUNTS,
IN THE YEARS 1873, 1874, 1875, AND 1876.

	TOTALS.	NAME OF WORK.	1873.	1874.	1875.	1876.
Canals	\$ 3,446,290	Welland Canal	\$ 32,282	\$ 746,420	\$ 1,047,119	\$ 1,569,478
	691,631	Lachine Canal	7,824	158,618	197,420	327,769
	82,173	Beauharnois Canal	33,241	26,541	22,391	.....
	706,386	Carillon and Grenville Canals	132,822	190,323	249,612	221,708
	9,448	Bele Verte	4,877	4,018	443	110
	250,157	Carillon and Chute a Blondeau	376	54,935	90,852	104,494
	70,315	St. Ann's Lock .....	.....	12,750	32,627	24,985
	11,473	Rideau .....	.....	.....	9,310	2,163
	140,501	Lock at Culbute Rapids .....	.....	.....	63,659	76,842
	2,415	Chambly .....	.....	.....	2,415	.....
	11,145	St. Peter's .....	.....	.....	20	11,125
	50,215	St. Lawrence .....	.....	.....	.....	50,215
	5,559,137					
Parliament Buildings } ..	692,792	{ Library	35,981	49,604	42,941	40,067
		{ Tower and ground	63,586	80,369	47,858	78,088
		{ Walls and workshops .....	.....	.....	48,070	12,670
		{ Extension West Block .....	.....	.....	27,254	100,000
		{ Fire walls and water service .....	.....	.....	28,368	37,013
Pacific Railway ..	2,137,692	Survey	561,818	310,224	474,529	791,121
	83,940	Fort Francis Locks .....	.....	.....	7,411	76,529
	2,724,201	Steel Rails .....	.....	.....	1,012,789	1,711,412
	3,544	Sundries .....	.....	.....	3,544	.....
	215,844	Telegraph line .....	.....	.....	28,560	187,284
	113,065	Lake of Woods and Rainy River .....	.....	.....	.....	113,065
	195,370	Fort Garry and Pembina .....	.....	.....	19,406	175,965
	179,804	Fort William to Shebandowan .....	.....	.....	.....	179,804
	111,394	Georgian Bay Branch .....	.....	.....	.....	111,394
	5,764,844					
		North-West Territories	63,228	.....	.....	.....
Intercolonial ..	11,889,295	Intercolonial	4,827,183	3,417,667	2,645,460	996,901
	88,632	P. E. I. Railway .....	.....	.....	46,086	42,546
Government Railways	1,279,309	Nova Scotia and New Brunswick ..	192,065	197,286	780,688	109,330
Total spent } 1873 to 1876 }	25,337,241	Totals	6,005,240	5,254,698	6,923,185	7,154,118

GENERAL SUMMARY.

TOTALS.	ITEMS.	1873.	1874.	1875.	1876.
\$ 5,559,145	Canal Works	\$ 261,430	\$ 1,193,608	\$ 1,715,268	\$ 2,388,839
5,828,082	Pacific Railway	625,056	310,224	1,546,283	3,346,564
11,889,325	Intercolonial Railway	4,827,183	3,417,667	2,645,474	996,901
1,279,259	Gov't. Railways, N. S. and N. B.	192,065	197,286	780,688	109,330
88,632	P. E. I. Railway .....	.....	.....	46,086	42,546
692,798	Parliament Buildings	99,516	135,068	189,481	267,338
25,337,241	Total Expenditure charged to Capital in Public Accounts in 1873	6,005,240			
	Total Expenditure charged to Capital in Public Accounts in 1874		5,254,698		
	Total Expenditure charged to Capital in Public Accounts in 1875			6,923,185	
	Total Expenditure charged to Capital in Public Accounts in 1876				7,154,118

N.B.—Total for Intercolonial to 30th June, 1876, Twenty-one Millions Five Hundred and Eighty-two Thousand One Hundred and Eighty-eight Dollars. Total for Pacific Railway to same date Six Millions Two Hundred and Fifty-four Thousand Two Hundred and Eighty Dollars. These amounts include expenditure previous to 1873, not shown above.

COMPARATIVE STATEMENT OF THE REVENUE AND EXPENDITURE OF EACH FINANCIAL YEAR SINCE CONFEDERATION.

EXPENDITURE AS PER PUBLIC ACCOUNTS.	1867-68.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Charges for management of Debt, Interest and Subsidies	7,969,990	8,403,527	8,102,191	8,638,565	9,004,362	8,717,076	10,255,798	11,124,726	11,122,359
Ordinary Expenditure	3,630,298	3,459,485	3,891,592	4,610,401	5,873,519	7,062,095	8,324,076	7,868,690	8,569,774
Charges on Revenue	1,885,864	2,175,071	2,351,724	2,374,114	2,711,587	3,395,475	4,736,442	4,719,654	4,796,238
Total charged to Consolidated Fund	13,486,092	14,038,084	14,345,509	15,623,081	17,589,468	19,174,647	23,316,316	23,713,071	24,488,372
Total Receipts of Revenue as per Public Accounts	13,687,928	14,379,174	15,512,225	19,335,560	20,714,813	20,813,469	24,205,092	24,648,715	22,587,587
Yearly surpluses	201,836	341,090	1,166,716	3,712,479	3,125,345	1,638,822	888,776	935,644	.....
Deficit.....	.....	.....	.....	.....	.....	.....	.....	.....	1,900,785

RECAPITULATION OF SURPLUSES.

SURPLUS—Financial year 1867-68	\$ 201,836
" " " 1868-69	341,090
" " " 1869-70	1,166,716
" " " 1870-71	3,712,479
" " " 1871-72	3,125,345
" " " 1872-73	1,638,822
" " " 1873-74	888,776
" " " 1874-75	935,644

Total amount of Surpluses since Confederation. \$12,010,708

DEFICIT—Financial year 1875-1876 (ending 30th June, 1876)

\$ 1,900,785

PUBLIC EXPENDITURE.

CAPITAL EXPENDITURE, AS PER PUBLIC ACCOUNTS, FOR EACH FINANCIAL YEAR SINCE CONFEDERATION.

	1867-68.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.
Miscellaneous Public Works.....	\$ 524,126	\$ 325,127	\$ 281,630	\$	\$ 461,969	\$ 552,998	\$ 1,526,811	\$ 2,731,482	\$ 2,808,560
Pacific Railway					489,428	561,818	310,224	1,546,241	3,334,567
Intercolonial Railway	50,081	169,782	1,567,586	2,866,376	5,089,063	4,827,183	3,417,661	2,345,460	998,991
North-West		19,113	1,821,887	773,871	241,888	68,238			
Total Expenditure on Works.....	574,208	514,203	3,671,104	3,640,248	6,236,349	6,005,240	5,254,698	6,923,185	7,154,118
Debts allowed Provinces					1,662,200	13,859,079	4,927,060		
Total Capital Expenditure	574,208	514,203	3,671,104	3,640,248	7,898,549	19,864,319	10,181,758	6,923,185	7,154,118
Increase and Decrease of Debt.....	+ 28,493	+ 102,184	+ 2,350,423	- 503,224	+ 4,480,554	+ 17,661,389	+ 8,476,502	+ 7,683,413	+ 8,543,136
Capital Expenditure from Income.....	545,714	411,838	1,320,681	4,143,472	3,417,995	2,202,929	1,795,256	- 760,228	- 1,389,017

RECAPITULATION OF CAPITAL EXPENDITURE.

Total Capital Expenditure on Miscellaneous Public Works since Confederation.....	\$ 9,212,706
Total Capital Expenditure on Pacific Railway since Confederation.....	6,254,280
Total Capital Expenditure on Intercolonial Railway since Confederation	21,582,188
Total Capital Expenditure on works in North-West Territory since Confederation	2,920,000
Total Debts allowed Provinces since Confederation	20,452,340
Total Capital Expenditure since Confederation	60,421,515
Net increase of Debt since Confederation.....	48,822,872
Total Capital Expenditure from Income	11,568,643
Expenditure on Public Works in former years, transferred from Capital Account to Consolidated Fund in 1870-71	317,686
Amount of Income expended on Public Works, properly chargeable to Capital, and thereby <i>pro tanto</i> avoiding the increase of the Public Debt	\$ 11,280,962

I think the foregoing statements will be useful and interesting to the country. They are not exhibited with the intention of blaming any Government, as the works have been carried on under Acts of Parliament, and the Government was only bound to see that they were conducted in an economical manner. Whether the Government have done that or not is best known to themselves, but from all that has been discovered of the wasteful expenditures of the present Government, I think the House can not be blamed if it incline strongly to the opinion that the whole might have been done much more economically. Many items of expenditure are wholly indefensible. I believe I have proved that the statement made by the Prime Minister in another place was not correct. A portion of the public burdens may be changed from one column to another of the Public Accounts, but the burdens will remain undiminished and will increase. If the hon. Secretary of State can prove the facts to be otherwise, I shall be very glad. I have not the advantage of the Finance Minister's revision this session of the estimate of revenue brought down by him last session. I have proved that down to 1873 the finances of the country were in a sound and easy condition; that the Government of that day was perfectly justified in undertaking the construction of works, payable out of income, which they proceeded with; that the surpluses during the six years they were in office amounted to the enormous sum of Eleven Millions One Hundred and Sixty Thousand Eight Hundred and Forty-four Dollars;* that not only were the works properly chargeable to income paid for out of income, but that a large amount was paid out of income which was fairly chargeable to capital, thus avoiding *pro tanto* the expenditure of capital; that Mr. Tilley made provision for the estimates—supplementary estimates—and for the increased statutory expenditure of the session of 1873; that the surplus of that year and of the following year were ample to cover the expenditure and leave no deficit; that at that time income and expenditure were pretty evenly balanced, but there was no deficit; that the new Government, when it succeeded to office, apparently desiring to increase the expenditure, imposed new taxation, which the Minister of Finance estimated would yield Three Millions of Dollars, but which only yielded One Million Seven Hundred Thousand Dollars; that that was the beginning and the cause of the financial difficulties which resulted in a deficit of Two Millions of Dollars on the 30th June last.

Hon. Mr. SCOTT—Where will I find the supplementary estimates of Mr. Tilley for 1874?

Hon. Mr. MACPHERSON—There were supplementary estimates that year.

Hon. Mr. SCOTT said there was nothing but what appeared in the ordinary estimates. Schedule B and schedule A were for amounts expended from the former year.

Hon. Mr. MACPHERSON—Mr. Tilley mentioned both the expenditure embodied in Acts of Parliament and in supplementary estimates, as quoted before recess. This shows that Mr. Tilley had brought down supplementary estimates,† the items in which and in Acts of Parliament made the increased expenditure of the session of 1873 amount to One Million Five Hundred and Forty-Two Thousand Dollars, according to Mr. Tilley; and to show that that amount was substantially correct, I will quote the following words from Mr. Cartwright's

* Mr. Tilley showed that between Confederation and June 30, 1872, there had been paid out of surplus revenue towards the construction of public works chargeable to capital \$9,522,022, to which I add the surplus of 1873, \$1,638,822.

† Mr. Tilley's supplementary estimates in the session for 1873 amounted to Five Hundred and Forty Seven Thousand One Hundred and Eighty-Three Dollars.

Budget speech of 1874 :—"The legislation of last session added over One Million Five Hundred Thousand Dollars to the fixed charges of the country." The sum of Two Millions of Dollars in schedule A of the Supply Bill of 1874, charged against revenue, I believe was altogether for increased expenditure which the revenue did not cover, and for which the present Government is responsible.

Hon. Mr. SCOTT—No, no ! Our contention is that we entered upon no new expenditures, and that it required Two Millions to meet Mr. Tilley's deficiencies.

Hon. Mr. MACPHERSON—The Public Accounts do not bear out that statement. There was a large expenditure in 1875 and 1876 upon works which had not been commenced in 1873 or 1874. The Government have, unquestionably, been extravagant and reckless in their expenditure. They have disregarded the pledges of retrenchment and economy upon which they came into power, and placed the country in financial peril by not providing for the deficit which resulted from their miscalculation, as soon as they discovered it. The expenditure of 1876 over 1875, for which they alone were responsible, amounts to Seven Hundred and Seventeen Thousand and Sixty-Two Dollars.

The object I have in view in bringing this subject under the notice of the House is to show the enormous increase in the controllable expenditure during the last three years, for which the present Administration must necessarily be held responsible. This expenditure increased at the rate of Six Hundred Thousand Dollars per annum ; or One Million Eight Hundred Thousand Dollars in the three years. I have given them credit for the expenditure resulting from the legislation of 1873. The actual increased expenditure of 1876 over 1873 was Three Millions Six Hundred and Sixty-seven Thousand Three Hundred and Eight Dollars, of which the present Finance Minister alleges One Million Five Hundred Thousand Dollars resulted from the legislation of 1873. I accept this statement as correct, and I allow Three Hundred and Sixty-seven Thousand Three Hundred and Ninety-eight Dollars in addition, which is a liberal allowance for reasonable and necessary increases. The balance—nearly Two Millions of Dollars—therefore is the amount of the increased controllable expenditure incurred by the present Administration. The correctness of this statement is confirmed by the fact that the actual ascertained increase in controllable expenditure for 1876 over 1875 is Seven Hundred and Seventeen Thousand and Sixty-two Dollars, and that year was entirely within the control of the present Government. This sum multiplied by three would give a considerably larger increase for the three years than I charge against the Administration.

I will refer to one other matter. In the Speech from the Throne, delivered at the opening of the session, the following paragraph found a place :—"Notwithstanding the loss of revenue, consequent chiefly on the diminution of our importations, the reductions effected during the current year have gone far to restore the equilibrium between income and expenditure, though great economy will still be needful to attain that object." I hope this will prove to be the case.

This session was opened in the beginning of February, at a time when the Government knew that the revenue of the country was falling off ; when they knew that it was then less by Three Hundred and Twenty-six Thousand Five Hundred and Six Dollars than it was at the same time last year. They were aware that large additional amounts would have to be charged against the Consolidated Revenue Fund for the increased public debt, that at least Six Hundred Thousand Dollars per annum had been added to it for interest on the new loan negotiated at the end of last year ; they knew it was being added to

otherwise, and that, too, in the face of a decreasing revenue which rendered it almost certain that the end of the current financial year would show another deficit instead of any restoration of the equilibrium between revenue and expenditure. I am not, however, going to charge the Ministry with having put words in the Speech from the Throne which they did not believe to be strictly true. To do so would be to charge them with a very grave offence, as great an offence as the advisers of the Crown could commit, for it would be first deceiving the Crown and then employing the Crown as their medium for deceiving and misleading the people. I will not accuse the Government of this offence, but hope, for the sake of the country, that the result will prove the correctness of the words placed in the Speech from the Throne. I shall, no doubt, be charged with partizanship, as I have been before, when I have called attention to the shortcomings of the Government; but the only partizanship I have in this matter is in favour of efficient administration.* This is my only motive, and I think my course in this House while I have had had a seat in it entitles me to expect that my statement will be accepted. I expected an efficient and able administration of the public affairs from the present Government. I put faith in their pledges of political purity, and financial retrenchment; but I have been sadly disappointed, as the country has been.

* Holding a position independent of parties, as I have always done in the Senate, and criticizing measures freely, in the public interest, as I believed, it has been my fate to be charged with partizanship by both Governments, each in turn charging me with being the partizan of the Opposition for the time being. My study has been to be the partizan of neither.

SPEECH

ON THE TARIFF AND LOAN.—DELIVERED IN THE SENATE, OTTAWA, ON
FRIDAY, APRIL 27TH, 1877.

I am sorry I cannot allow the Bill to pass at this late hour without detaining the House a few minutes. Changing the Tariff at any time disturbs the trade of the country very seriously. The changes proposed now are few and small—so small that it is impossible to justify them. They are so insignificant that the Government when introducing the Bill ought to have apologized for them. The object, I presume, is to increase the revenue; and the Secretary of State should have told the Senate what additional amount of revenue was required, and how much the changes in the tariff were estimated to yield. There was a deficit of Two Millions on the 30th June last. The Finance Minister has not revised the estimates of revenue made last session during the present session of Parliament, so that the House does not know what he expects will be the result at the end of the present fiscal year. That information should have been furnished to Parliament. There can be little doubt that a new deficit will be found to exist at the end of the year. In view of the deficit of last year, and the certain accruing deficit of this year—amounting together to a very large sum, I fear—it seems trifling to make these changes in the tariff for the small sum they will yield. According to the estimate of the Finance Minister, submitted in another place, they will yield only some Four or Five Hundred Thousand Dollars. If it is intended to supply the deficiency in the revenue by this slight increase of the taxation of the country, the increase is wholly inadequate for the purpose, and it is difficult to imagine any attempt more lame and impotent. The depression throughout the country is wholly unprecedented in the memory of any member of this House. All the enterprises of the country are stagnant and paralyzed. Our financial embarrassment and deficits are increasing. I do not hold the Government altogether responsible for the prostrate condition of commerce; but I contend that if they had a policy, if they had even sympathy for the country, they might mitigate the feeling of despondency which prevails so widely. I know that men of means who are disposed to embark in enterprises in the country are deterred by the fear that if they did so, and became successful, the Government would find some excuse for interfering with their prosperity by taxing them, or in some way acting prejudicially to their interests. It is a very unfortunate opinion or sentiment to be abroad in the country, but it is abroad, and it is not altogether without ground. The oft-referred-to sugar-refining trade is an instance in point. It was encouraged until it became exceedingly prosperous, but so soon as that was the case it became the envy of many, and the Government, who had previously fos-

tered it, turned against it and starved it. The direct tea trade was actually stamped out by Parliament at the instance of the present Government. The Secretary of State seemed to think lightly of this trade, because it employed only one ship.

Hon. Mr. SCOTT—Two, one year.

Hon. Mr. MACPHERSON—Each ship sent to open trade with a foreign country is a pioneer of the commerce of the Dominion. I suppose the great Eastern trade of the United Kingdom did not commence with a fleet such as is employed in it to-day, but with one ship. I am a free trader, but I believe that so long as we have to raise a revenue from customs duties, interests will grow up under the protection thus afforded; and the policy, whether sound or not, under which manufactures grow up should not be suddenly changed, so as to destroy new and important interests. The effect of an uncertain and changing policy is not simply injurious to the interests immediately affected, but it engenders feelings of uneasiness and distrust which prevent men from embarking their capital in enterprises in this country. I contend the people of the Dominion are now suffering from these feelings of uneasiness and of distrust in the Government. The Administration has manifested a desire to meddle in business matters between man and man, and its effect has been injurious. It would be well if the tariff could be understood to be fixed for a term of years, that people might know what they had to depend upon. The frequent changes that are made and the uncertainty that attends the tariff, are unfavourable to the creation of new enterprises, and in this way injurious to the country.* The debt of the country is being increased with alarming rapidity and for unprofitable purposes. Sir Francis Hincks, in 1870, showed it was then Twenty-two Dollars and Fifty Cents per head. In 1873, Mr. Tilley said the debt, per head, had not increased. But in 1876 the debt had increased to Thirty-seven Dollars and Ninety-three Cents per head. The taxation had increased from Three Dollars and Fifty Cents in 1870, to Five Dollars and Seventy-six Cents in 1876; that was the rate of taxation paid last year, but it was not enough to meet the expenditure of the country. Six Dollars per head is now required. In 1873 Mr. Tilley showed that the duty paid on goods entered for consumption was Ten and One-fifth per cent; in 1876 it was Thirteen and Fifty-four Hundredths per cent, showing the average duty had increased about one-third; in other words every person had to pay one-third more duty on the goods consumed by him. Where each one contributed Three Dollars in this way to the revenue in 1873, every man, woman and child has now to contribute Four Dollars. We used to pride ourselves upon this being a cheap country to live in. I fear we cannot boast of that any longer.

Our large unproductive expenditure is not only increasing our burdens at home, but is impairing our credit abroad. This was exhibited in the negotiation of the loan by the Finance Minister in October last. I do not intend to say one word in blame of the way in which that loan was negotiated. The first duty of the Minister of Finance was to make certain of success, because it would have been unfortunate for the country if he had failed. But he was completely in the hands of the moneyed men in England. He had to be

* In my opinion it is scarcely possible to over-estimate the importance of imparting a character of stability to our customs and excise legislation. I think it might be done without unduly fettering Parliament; and until it is secured money will not be forthcoming freely and confidently, for investment in industrial enterprises in this country. The experience of the sugar refiners of Montreal will serve as a warning for a long time to come. Capitalists will not expose their property to the possibility of being experimented upon—as sources of new taxation—by Ministers of Finance.

guided by the financial agents of the country, and although they might have advised him to place the loan at a low price, I would not blame them. The Dominion had no right to expect them to give us their money on better terms than they could obtain from others. We had no claim upon them, and when we went to them for a loan they treated us as a banker would a customer in this country. They would naturally ask what had been our success during the preceding year—what had been the measure of our prosperity. When this question was asked Mr. Cartwright, he must have told the truth—that there was a deficit amounting to one-third of the interest on the public debt, that there was a deficient harvest, and that the country was not as prosperous as it had been when he had negotiated his loan in 1875. At that time he had been able to give a very flourishing account of the country and of the use that had been made of the money borrowed by the Dominion. In a statement issued by him in London, on the 19th October, 1874, placing the condition of the Dominion before the capitalists of the world, Mr. Cartwright said:—"The whole of the debt has been incurred for legitimate objects of public utility." * * * * "The indirect advantage from these public works has already been found in the remarkable rapidity with which the commerce and the material prosperity of the Dominion have been developed; while a substantial increase in the direct returns may fairly be expected from the improvements now in progress and to follow the steady progress of population and trade. * * * * The revenue has shown a continuous surplus during each year since Confederation, in 1867, although it has in the interval been charged with much heavy expenditure of an exceptional kind, such as the outlay connected with the several Fenian attacks on the country, the acquisition and organization of new territory, and providing an adequate defensive force for the Dominion. * * * * The eight years since Confederation, therefore, exhibit an aggregate surplus of Two Million Four Hundred and Forty-three Thousand One Hundred and Eleven Pounds (equal to Eleven Millions Eight Hundred and Eighty-nine Thousand Eight Hundred and Eight Dollars, and not including the sinking fund) which has been partially applied in the redemption of debt, and partially expended in new works. The annual payment for sinking fund is included in the current expenditure, and forms in the aggregate a further sum of Seven Hundred Thousand Pounds (or Three Millions Four Hundred and Six Thousand Six Hundred and Sixty-eight Dollars) since Confederation." When the last loan was negotiated, the Finance Minister was unable to say anything so encouraging, but had to admit the existence of a deficit; and when asked what return he expected from the expenditure of former loans, he must have replied that an enormous amount was being expended in constructing a railway between Lake Superior and the Red River, through a country that was altogether unfit for settlement, and where the running of the road when finished would be attended with constant and very heavy loss. The lenders of money in England are very like those who lend money elsewhere. They are very apt to follow it and see what is being done with it. I venture to say there is not a year when a good many of those from whom we borrow, or their representatives, do not come to this country to see what we are doing with the money they have loaned to us. They will learn of the Fort Francis folly, of the large capital being hopelessly sunk in the railway between Lake Superior and the Red River, of the amount lost and locked up in the unfortunate steel rails speculation, of the contract for the Georgian Bay Branch Railway, and of several other unwise expenditures, to say nothing of more equivocal transactions. While I do not blame the Finance Minister for the manner in which he saw fit to issue the loan, I do

blame the Government for having brought the country to the condition in which it now is, and which compels us to borrow on such terms. I will state to the House what the terms really are on which the last loan was obtained. The loan, carrying interest from the first of November, was issued at Ninety-one. There was commission to the agents, One per cent. Then, by an extraordinary provision in the prospectus, the subscribers to the loan were allowed to deduct from the May instalment the six months' interest payable on the first of May. This was a remarkable condition. It was a direct payment of interest out of capital. It would be difficult to conceive anything more objectionable from every point of view than this arrangement. It diminished the amount of capital which the country should receive for the loan; it was a direct payment of interest out of capital, and without being passed through the books in this country, as it ought to have been. The Minister of Finance did not call the attention of Parliament to it; so that there was an absolute concealment from Parliament of a very important condition of the loan. It is unjustifiable that a portion of the principal should be withheld and applied to the payment of interest, as has been done in this case. The effect will be to mystify the Public Accounts, to conceal the true amount of the deficit on the thirtieth of June next; and if this be done Parliament and the country will be misled as to the true state of the public finances by means which can only be characterised as a "cooking" of the Public Accounts. The loan was issued early in November last, at Ninety-one per cent. but carrying interest at Four per cent. per annum on the full amount of its face from the first day of November. It was payable as follows, viz.:—

	5 per cent. on application	} 8th November.
15	" on allotment	
20	" on 31st January, 1877.	
20	" on 27th March, 1877.	
20	" on 25th June, 1877.	
11	" on 25th July, 1877.	
9	" discount.	

100

By the conditions of the loan the subscribers were allowed to withhold the six months' interest payable on 1st of May, out of the instalment due on 25th of May, thus making it a payment of interest out of capital, and diminishing by the amount of such interest and sinking fund the principal sum to be received by the country from the loan. The deductions to be made are—

Discount	9	per cent.
Commission to agents	1	"
Six months' interest due 1st May, withheld	2	"
Sinking fund, agency, &c	$\frac{1}{2}$	"

12 $\frac{1}{2}$ per cent.

The net proceeds, as nearly as can be ascertained, in the absence of precise information from the Government, would be, loan £2,500,000 sterling, equal to \$12,166,666
Less, for discount, for commission, for interest withheld out of capital, sinking fund, agency, &c., in all 12 $\frac{1}{2}$ per cent. 1,520,833

\$10,645,833

To which will have to be added the amount received by the Government for interest upon the instalments of the loan paid in between November and May, but which I have not the means of ascertaining. I think it may be safely assumed, however, that the amount the country will receive will not exceed Ten Million Seven Hundred and Fifty Thousand Dollars (\$10,750,000), while it will be paying interest, sinking fund, &c., upon the full face of the loan—Twelve Million One Hundred and Sixty-Six Thousand Six Hundred and Sixty-six Dollars (\$12,166,666). The interest, sinking fund, &c., upon this sum will amount to about Six Hundred Thousand Dollars (\$600,000) a year, and be an additional charge of that amount upon the Consolidated Revenue Fund, which will have to be provided by means of new and increased taxation. I will not detain the House any longer at this late hour; but from what I have stated I think honorable gentlemen will agree with me that prudence in respect to the public expenditure is most necessary; that there is an absolute and pressing necessity for the introduction of the retrenchment which the present Government promised, but has not given to the country.

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SPEECH

ON STEEL RAILS—DELIVERED IN THE SENATE, OTTAWA, ON FRIDAY,
APRIL 13TH, 1877.

Upon a motion of the Hon. Mr. Read, on the subject of the Steel Rails,
Hon. Mr. MACPHERSON said:—I am not surprised that the Hon. Secretary of State should manifest considerable feeling on this subject, but he will have to hear a good deal more about the Steel Rails speculation.

Hon. Mr. SCOTT—It was no speculation.

Hon. Mr. MACPHERSON—It was a speculation, and a most unprofitable one to the country, however profitable it may have been to some individuals. The Government manifested very little discretion in purchasing 50,000 tons of rails so long before any of them will be required—in purchasing rails for 550 miles of the Pacific Railway before one mile of it was located or surveyed.

Hon. Mr. SCOTT—10,000 tons went to the Intercolonial Railway.

Hon. Mr. MACPHERSON—That was an after-thought. The money which was applied for the purchase of them has been charged to the Pacific Railway. That was just one of the evils proceeding from this kind of speculation. The Government, finding it had committed a great blunder, assigned 10,000 tons of the rails to Railways in Nova Scotia and New Brunswick, involving an expenditure which would not otherwise have been incurred. If the Government Railways in the Maritime Provinces had remained in the hands of the Provincial authorities, does any one believe that 10,000 tons of steel rails would have been laid upon them?

Hon. Mr. SCOTT—Mr. Brydges reported that they were necessary.

Hon. Mr. MACPHERSON—The rails had been bought, and when it was found they could not be used for the purpose for which they were purchased, they were diverted to the railways in the Maritime Provinces. Two years have passed since the Government purchased steel rails for 550 miles of the Pacific Railway, and yet not one mile of the road is in operation. The hon. Senator from Belleville (Mr. Read) has stated enough, with what was previously known, to render a committee of inquiry into this whole matter an absolute necessity. There is not time this session, but it should be undertaken as early as possible after the next meeting of Parliament. If there has been no partiality in the purchase and transportation of these steel rails, there has been a most unfortunate combination of circumstances calculated to excite suspicion against the Government, and it is necessary that the whole transaction should be cleared up. Cooper, Fairman and Co.'s name has again been brought before the notice of the House, now as agents for the

contractors, and they were, no doubt, interested in the contract for transporting the rails. A member of this House was one of the partners in that contract. The independence of Parliament Act does not reach this Chamber; but the honorable Senator from Hamilton should read the opinions expressed by the Minister of Justice upon members of the Senate being in any way engaged in transactions with the Government. The House will remember the attacks that were made upon a member of the Senate who had to discharge the duties of an important office, and who was appointed to this Chamber for the purpose of giving information to the Senate and to the public with respect to the Intercolonial Railway. If the Minister of Justice censured that, what would he not have said if the gentleman from Hamilton had had a lucrative contract with the Government, while holding a seat in this House? I will now bring to the notice of the House the actual cost of this steel rail speculation, so far as I can ascertain it, though I have not by any means all the items before me. It is no easy matter to find the items; some are in the Public Accounts, some in the report of the Minister of Public Works, and a large number, I apprehend, have not yet been brought into the accounts. The sum paid in England on account of the rails was Six Hundred Thousand Eight Hundred Pounds, equal to Two Million Nine Hundred and Twenty-three Thousand Nine Hundred Dollars: estimated freight to Montreal on 10,000 tons, Thirty Thousand Dollars; making a total of Two Million Nine Hundred and Fifty-three Thousand Nine Hundred Dollars, as the cost of the rails delivered in Montreal; the average cost per ton being Fifty-nine Dollars and Eight Cents. There was freight to Vancouver Island, Forty-eight Thousand Six Hundred and Sixty-six Dollars;* inland transport charges and insurance, Two Hundred and Twenty-two Thousand Eight Hundred and Eighty-four Dollars. Then there is the interest on Two Millions Nine Hundred and Fifty-Three Thousand Nine Hundred Dollars at five per cent, for an average period of two years, amounting to Two Hundred and Ninety-five Thousand Three Hundred and Ninety Dollars. I estimate the time at two years because the average will be found to be a great deal more before the rails are used, though it is a little less to-day; but before the cost ceases to bear interest, it will be twice that. The interest added to the other figures I have given, brings the total cost of these rails, at the present time, to Three Millions Five Hundred and Twenty Thousand Eight Hundred and Forty Dollars. Now, these figures are perfectly appalling.

Hon. Mr. DICKIE—How much is that per ton?

Hon. Mr. MACPHERSON—Seventy Dollars and Forty-one Cents per ton. And the country has this enormous quantity of steel rails deteriorating at a rate that I cannot and will not venture to estimate, but which I know will be most serious. I am informed by parties who last autumn purchased steel rails of the very best quality, from the best makers, that they were laid down at Montreal this spring at Thirty-six Dollars per ton.

Hon. Mr. McLELAN—I think the hon. gentleman must be in error. I notice the Government have paid at the rate of Forty-eight Dollars per ton this year for iron rails.

Hon. Mr. MACPHERSON—That is no proof that I am in error.

Hon. Mr. HOPE—Who agreed to lay down the best steel rails in Montreal at that rate?

* I have been given to understand that this item—although it is not so expressed in the return—is included in the amount of Six Hundred Thousand Nine Hundred Pounds paid in England.

Hon. Mr. MACPHERSON—One of the best makers in England.

Hon. Mr. SCOTT said he was informed that the Great Western Railway Company, at the time the Government purchased the 50,000 tons, had paid Eleven Pounds sterling per ton.

Hon. Mr. MACPHERSON—The honourable Senator from Toronto (Mr. McMaster) stated that last year—no doubt for the purpose of sustaining the Government in their great speculation. The Ebbw Vale Company is regarded as a first-class house, and they sold steel rails, deliverable at Prescott this spring, at Seven Pounds Fifteen Shillings (Thirty-seven Dollars and Seventy-one Cents) per ton.

Hon. Mr. SCOTT—Iron rails?

Hon. Mr. MACPHERSON—No; steel rails of the very best quality.

Hon. Mr. CAMPBELL—Steel rails—I have seen the invoice.

Hon. Mr. MACPHERSON—I allow One Dollar and Seventy-one Cents per ton for transport from Montreal to Prescott, and call the cost of the rails at Montreal Thirty-six Dollars per ton.

Hon. Mr. McLELAN said this same company had furnished steel rails for the Intercolonial Railway, and they were the very best that had been laid on that road.

Hon. Mr. SCOTT—The company went into liquidation not long ago.

Hon. Mr. MACPHERSON—They changed from a partnership to a corporation; but the company is one of the largest in England. At no time have they fewer than 7,000 persons in their employment, and no ironmasters in England have a better reputation for furnishing rails of the very best quality than this same company.

Hon. Mr. SCOTT—But their rails are not all of the same quality and pattern?

Hon. Mr. MACPHERSON—The quality of the purchase I refer to was warranted to be the very best. Now, the 50,000 tons purchased by the Government cost Two Million Nine Hundred and Fifty-three Thousand Nine Hundred Dollars; but if they had waited until the present time—and, even now, they only require a small quantity—the rails could have been bought and delivered at Montreal for One Million Eight Hundred Thousand Dollars, showing a loss to the country by the speculation—by the purchase prematurely and imprudently made by the Government—amounting to One Million One Hundred and Fifty-three Thousand Dollars. Adding to this the interest, Two Hundred and Ninety-five Thousand Three Hundred Dollars, and freight to Vancouver Island, Forty-eight Thousand Six Hundred and Sixty-six Dollars, the actual loss to-day will be found to reach One Million Four Hundred and Ninety-seven Thousand Eight Hundred and Sixty-six Dollars, or say One Million and a Half of Dollars. In addition to this, there is the inland freight and insurance, amounting to Two Hundred and Twenty-two Thousand Eight Hundred and Eighty-four Dollars, which was paid before the rails were wanted. This enormous blunder would be a lasting charge upon the consolidated revenue fund of Seventy-five Thousand Dollars a year, at least.

In addition to all this, I understand there is a small army of caretakers and laborers employed about the rails, and the rails are deteriorating every day. Altogether, it is a most serious affair. The proper course for the Government to have pursued would have been to wait until the rails were required, and then to buy them at the market price, whatever it might be. As a matter of fact, had they done this they would have saved One and a half Millions of Dollars to the country. The present Government do not pretend to be more than simple administrators, because they have over and

over again declared that they could not introduce any new legislation to benefit the country in its present state of great depression. In other words, there is nothing in the science of government known to them by which they can by legislation assist the industries and promote the progress of the country. From the information which is being gained from day to day, the steel rail transaction, I fear, is a fair average specimen of the administration of the Government.

MEMORANDUM, SUPPLEMENTAL TO THE FOREGOING SPEECH.

It is difficult, I repeat, to obtain the information necessary to prepare a strictly accurate account of the Steel Rails transaction. The details have to be extracted from several sources, and they are not always given explicitly. Any statement of loss prepared now can, of course, only be approximate; but the ultimate actual loss is pretty certain to exceed any estimate of it that has been presented. The expenditure for Steel Rails and fastenings as nearly as I can ascertain is as follows :—

Paid in England, for 50,000 tons of Steel Rails, as per Parliamentary return, £600,800, (including freight to Canada of 40,000 tons, and to Vancouver Island of 5,000 tons)...	\$2,923,900
The freight to Canada on the remaining 5,000 tons, I estimate at.....	15,000
	\$2,938,900
Paid on account of inland transport charges, insurance, &c...	222,884
Interest on ascertained payments to 30th June, 1877.....	271,365
	\$3,433,149

Including inland freight, labour and other charges, which must have been paid since 1st July, 1876, but of which we have not the accounts, the total amount disbursed by the Government must exceed THREE MILLIONS FIVE HUNDRED THOUSAND DOLLARS!

Interest is properly chargeable on all disbursements for materials from the date of payment until they are used in the Railway. I apprehend interest will thus be chargeable on the whole outlay in connection with the steel rail purchase for an average period of four years at least, which, on the amount at present known to have been paid out, will amount to Six Hundred and Ninety Thousand Five Hundred and Thirty-four Dollars.

THE PROFIT AND LOSS ACCOUNT of the Government steel rail speculation may be taken to stand about as follows, viz. :—

Cash paid in England for steel rails and fastenings.....	\$2,938,900
The same quantity could have been purchased, deliverable this Spring in Canada, for	1,800,000
Loss on first cost.....	\$1,138,900

Interest to 30th June, 1877, on ascertained payments.....	271,365
To this must be added the cost of 4,000 tons laid upon the Truro and Pictou Railway, a line that would not have been steeled had not the rails been on hand.....	235,120
(The Government has taken authority to transfer this Railway to Nova Scotia as a gift to a private Company.)	

Ascertained loss to the end of current fiscal year, 30th June, 1877	<u>\$1,645,385</u>
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Interest is running on at the rate of about \$13,500 per month and is increasing—I estimate the further loss by interest before the rails are used at.....	\$419,169
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It may be assumed that the country's loss by this unfortunate transaction, before the interest account can be fairly closed, will not be less than
Two MILLIONS OF DOLLARS!

The Rails have been distributed as follows:—

5,000 tons to Vancouver Island, where they are not required.

11,000 tons to Nova Scotia, 4,000 tons of which are to be given away to a
private Company.

And the remainder are at various places from Kingston to Manitoba.

SPEECH

ON HARBOUR IMPROVEMENTS.—DELIVERED IN THE SENATE, OTTAWA, ON
TUESDAY, MARCH 13TH, 1877.

Hon. Mr. MACPHERSON said :—I beg to move that an humble address be presented to His Excellency the Governor General, praying that he will be pleased to lay before this House copies of the reports and estimates of the engineer upon the works proposed to be performed at the following ports or localities, namely :—

Arisaig.....	N. S.	Lingan Beach.....	N. S.
Annapolis.....	N. S.	Musquodoboit.....	N. S.
Baxter's Harbour.....	N. S.	Malpeque.....	P. E. I.
Bayfield.....	N. S.	Montague River.....	P. E. I.
Beach Point.....	P. E. I.	Nail Pond to Egmond Bay	P. E. I.
Beaver Cove.....	N. S.	North Sydney.....	N. S.
Bedeque.....	P. E. I.	Port Gilbert.....	N. S.
Canada Creek.....	N. S.	Pubnico.....	N. S.
Chipman's Brook.....	N. S.	Port Hood.....	N. S.
Cape Traverse.....	P. E. I.	Richibucto.....	N. B.
Christmas Island.....	N. S.	St. Peter's Bay.....	P. E. I.
Cove Head.....	P. E. I.	Scott's Bay.....	N. S.
Grand Manan.....	N. B.	Truro.....	N. S.
Hopewell.....	N. B.	Victoria Harbour.....	N. S.
Hall's Harbour.....	N. S.	West Arichat.....	N. S.
Liverpool.....	N. S.	Walton.....	N. S.
Lingan.....	N. S.	West Sandy Cove.....	N. S.

I have given notice of this motion in consequence of seeing this list of thirty-four harbours which have been surveyed, and of which reports, plans and estimates have been sent to the Department of Public Works. I confess that I feel a good deal of alarm at seeing so great a number of new sites for harbours being reported on by order of the Public Works Department. Harbours are necessarily costly works, and I take it for granted, in the present case, that some of those proposed are mere inlets, to which little trade has resorted heretofore. The cost of improving these harbours will be followed by the establishment of custom houses, light houses, fog horns, and other expenses necessarily attached to harbour service. Considering that works of this kind are paid for out of revenue, and seeing that the revenue shows a deficit, I cannot understand how the Govern-

ment can encourage gentlemen interested, or the localities interested, with hopes that public money can be expended on new works of this kind at present. The surveys were ordered last year, although it was well known to the Government then that the revenue would show a deficit; and in my opinion the action of the Government in ordering the surveys and plans for these new works at that time was most reprehensible. It is the duty of the Government to resist the pressure which is brought to bear to force them into entering upon large and new expenditures, in the circumstances of the country. If ever there was a Government which should be able to resist such pressure it is the present Administration, as they not only have a large majority at their back, but they came into power pledged to economy and retrenchment. The surveys alone of new works in 1876 amounted to Forty-Four Thousand Three Hundred and Thirty-Three Dollars.*

* In reply it was stated by the leader of the Government, in the Senate, that four only of these Harbours would be improved this year. The survey of so many more than can be required in the public interest was exceedingly blameworthy in the Government. The examination of an inlet and a favourable report upon it, by a Government Engineer, is accepted by the people of a locality as a promise of public expenditure, a pledge for a Harbour with all its expensive establishments, from a light-house to a landing-waiter. I fear many of these thirty-four Harbours, and sites for Harbours, were surveyed solely to appease exacting Parliamentary supporters. It would seem that under the leadership of Mr. Mackenzie an overwhelming Parliamentary majority instead of conferring strength and independence upon the Ministry, insuring pure and able administration, is a source of weakness to them, producing selfishness and demoralization among their followers, and leading, it is to be feared, to much reckless and corrupt expenditure of the people's money.

Now that the self-styled party of Reform, Purity and Economy is charged with the Government of the country, instead of being guided by the considerations of patriotism, self-denial and self-respect which, from the professions of its members, it was expected would govern them, they really appear to be kept together, by no higher motive than that which bands politicians of the baser sort, and which by our neighbours is felicitiously called "the cohesive power of public plunder."

SPEECH

ON THE BILL RELATING TO THE VIOLATIONS OF THE INDEPENDENCE OF
PARLIAMENT ACT—DELIVERED IN THE SENATE, OTTAWA, FRIDAY,
APRIL 27TH, 1877.

I will give my reasons for objecting to the Bill in its present shape. If it had been made a condition precedent to taking advantage of the provisions of the measure, that gentlemen should vacate their seats, I should be willing to relieve them from the penalties they have incurred. There is, however, a very wide distinction to be drawn between some of the alleged cases and others. Those members of the House of Commons who have unintentionally and unwittingly violated the letter of the Act through the action of a partner or clerk; by selling a small quantity of merchandise to an official of the Government, perhaps not knowing or suspecting at the time that the purchaser was an official, or that the purchase was for the Government; or by printing a Government advertisement in a newspaper, occupy a very different position from those who knowingly offended. It is alleged that gentlemen occupying the highest positions in the other House, and in the country, hold contracts with the Government, some of them being, it is alleged, Cabinet Ministers. There is a vast difference between these, who, from the positions they hold, are able to enrich themselves at the expense of the country by many thousands of dollars, and the men who have unknowingly violated the letter of the Independence of Parliament Act. I maintain that the Senate should not relieve, in any way whatever, those who are guilty knowingly and corruptly. If it be true, as is alleged, that high officials are Government contractors, drawing large sums of money from the public treasury, under contracts which it may be said they made with themselves, they are guilty of most scandalous conduct, and I contend Parliament should not relieve them of the legal penalties which attach to their conduct. As I do not see that on this the last day of the session the Bill can be amended in such a way as to relieve the innocent and leave the guilty to punishment, I shall be obliged to record my vote against the Bill.

CHANGE OF OFFICES AT OTTAWA.

N. B.—While these sheets have been passing through the press an unexpected shuffle of Cabinet offices has taken place at Ottawa, viz.: Mr. Laflamme to be Minister of Justice, *vice* Mr. Blake, who has become President of the Council, *vice* Mr. Cauchon, who has become Minister of Internal Revenue, *vice* Mr. Laflamme. This exchange of portfolios cannot fail, for obvious reasons, to be deeply disappointing to the people of nearly the whole Dominion. In Ontario, I think, it is calculated to produce positive uneasiness, as indicating that the influence of Messrs. Mackenzie and Blake in the Government is on the wane—the influence of the two Ministers in whom the friends of the Government in this Province placed their sole reliance. The changes are too important to permit it to be supposed that they are wholly due to the convenience, or choice, or ambition, of individual Ministers. I shall not impute to Mr. Blake the taking from personal motives only of a step which he must have known would derogate very seriously from the character and dignity of the present Government. If the labor of Mr. Blake's late office was more than he could perform without imperilling his health, he might have appointed additional assistants, and in that way have made his own work comparatively light and easy. It would have been better in the interest of the country if Mr. Blake had done this instead of exchanging an exalted office for one of little or no responsibility—a mere sinecure. The Minister of Justice is charged with higher moral responsibilities than any other Minister of the Crown in Canada. Upon him devolves the maintaining, and when necessary the amending, of our commercial and criminal law; to him Parliament looks for guidance in its deliberations on all Constitutional and Legal questions: upon his recommendation all the Judges of the Dominion are appointed; and it is upon his advice that the highest prerogative—the prerogative of mercy—is exercised by the Crown.

It is this office, with all its important and lofty attributes, that Mr. Blake has vacated in favour of Mr. Laflamme—an act which has filled the minds of the people of Ontario with amazement. No one desires that Mr. Blake should overtask his strength in the public service; but it is difficult to believe that he could not have assigned much of the toil of his late office to competent assistants. While he has divested himself technically of the responsi-

bility of the Ministry of Justice, Mr. Blake must be perfectly well aware that the people, especially the people of Ontario, will not be willing under all the circumstances to relieve him of moral responsibility to them for the administrative acts of his successor, Mr. Laflamme, for whose appointment Mr. Blake must be held responsible.

TORONTO, JUNE, 1877.

